

**SOUTH CAROLINA
DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL
AIR POLLUTION CONTROL REGULATIONS AND STANDARDS**

**REGULATION 61-62.96
NITROGEN OXIDES (NO_x) BUDGET TRADING PROGRAM**

SUBPART A - NITROGEN OXIDES (NO_x) BUDGET TRADING PROGRAM GENERAL PROVISIONS

Section 96.1 - Purpose.

This regulation establishes general provisions and the applicability, permitting, allowance, excess emissions, monitoring, and opt-in provisions for the NO_x Budget Trading Program as a means of mitigating the interstate transport of ozone and nitrogen oxides, an ozone precursor. The owner or operator of a unit, or any other person, shall comply with requirements of this regulation as a matter of State and Federal law. The State of South Carolina authorizes the EPA to assist the State in implementing the NO_x Budget Trading Program by carrying out the functions set forth for the EPA in such requirements.

Section 96.2 - Definitions.

The terms used in this regulation shall have the meanings set forth in this section as follows:

- (a) "Account certificate of representation" means the completed and signed submission required by subpart B of this regulation for certifying the designation of a NO_x authorized account representative for a NO_x Budget source or a group of identified NO_x Budget sources who is authorized to represent the owners and operators of such source or sources and of the NO_x Budget units at such source or sources with regard to matters under the NO_x Budget Trading Program.
- (b) "Account number" means the identification number given by the EPA to each NO_x Allowance Tracking System account.
- (c) "Acid Rain emissions limitation" means, as defined in South Carolina Regulation 61-62.72.2, Air Pollution Control Regulations and Standards, a limitation on emissions of sulfur dioxide or nitrogen oxides under the Acid Rain Program under Title IV of the CAA.
- (d) "Allocate" or "allocation" means the determination by the Department or the EPA of the number of NO_x allowances to be credited to a NO_x Budget unit or an allocation set-aside.
- (e) "Automated data acquisition and handling system" or "DAHS" means that component of the CEMS, or other emissions monitoring system approved for use under subpart H of this regulation, designed to interpret and convert individual output signals from pollutant concentration monitors, flow monitors, diluent gas monitors, and other component parts of the monitoring system to produce a continuous record of the measured parameters in the measurement units required by subpart H of this regulation.
- (f) "Boiler" means an enclosed fossil or other fuel-fired combustion device used to produce heat and to transfer heat to recirculating water, steam, or other medium.

(g) “CAA” means the Clean Air Act, 42 U.S.C. 7401, *et seq.*, as amended by Pub. L. No. 101-549 (November 15, 1990).

(h) “Combined cycle system” means a system comprised of one or more combustion turbines, heat recovery steam generators, and steam turbines configured to improve overall efficiency of electricity generation or steam production.

(i) “Combustion turbine” means an enclosed fossil or other fuel-fired device that is comprised of a compressor, a combustor, and a turbine, and in which the flue gas resulting from the combustion of fuel in the combustor passes through the turbine, rotating the turbine.

(j) “Commence commercial operation” means, with regard to a unit that serves a generator, to have begun to produce steam, gas, or other heated medium used to generate electricity for sale or use, including test generation. Except as provided in Section 96.5, for a unit that is a NO_x Budget unit under Section 96.4 on the date the unit commences commercial operation, such date shall remain the unit’s date of commencement of commercial operation even if the unit is subsequently modified, reconstructed, or repowered. Except as provided in Section 96.5 or subpart I of this regulation, for a unit that is not a NO_x Budget unit under Section 96.4 on the date the unit commences commercial operation, the date the unit becomes a NO_x Budget unit under Section 96.4 shall be the unit’s date of commencement of commercial operation.

(k) “Commence operation” means to have begun any mechanical, chemical, or electronic process, including, with regard to a unit, start-up of a unit’s combustion chamber. Except as provided in Section 96.5, for a unit that is a NO_x Budget unit under Section 96.4 on the date of commencement of operation, such date shall remain the unit’s date of commencement of operation even if the unit is subsequently modified, reconstructed, or repowered. Except as provided in Section 96.5 or subpart I of this regulation, for a unit that is not a NO_x Budget unit under Section 96.4 on the date of commencement of operation, the date the unit becomes a NO_x Budget unit under Section 96.4 shall be the unit’s date of commencement of operation.

(l) “Common stack” means a single flue through which emissions from two or more units are exhausted.

(m) “Compliance certification” means a submission to the Department that is required under subpart D of this regulation to report a NO_x Budget source’s or a NO_x Budget unit’s compliance or noncompliance with this regulation and that is signed by the NO_x authorized account representative in accordance with subpart B of this regulation.

(n) “Compliance account” means a NO_x Allowance Tracking System account, established by the EPA for a NO_x Budget unit under subpart F of this regulation, in which the NO_x allowance allocations for the unit are initially recorded and in which are held NO_x allowances available for use by the unit for a control period for the purpose of meeting the unit’s NO_x Budget emissions limitation.

(o) “Continuous emission monitoring system” or “CEMS” means the equipment required under subpart H of this regulation to sample, analyze, measure, and provide, by readings taken at least once every 15 minutes of the measured parameters, a permanent record of nitrogen oxides emissions, expressed in tons per hour for nitrogen oxides. The following systems are component parts included, consistent with 40 CFR part 75, in a continuous emission monitoring system:

- (1) Flow monitor;

(2) Nitrogen oxides pollutant concentration monitors;

(3) Diluent gas monitor (oxygen or carbon dioxide) when such monitoring is required by subpart H of this regulation;

(4) A continuous moisture monitor when such monitoring is required by subpart H of this regulation; and

(5) An automated data acquisition and handling system.

(p) "Control period" means for the year 2004, the period beginning on May 31 and ending on September 30 of the same year, inclusive. Thereafter, control period shall mean the period beginning May 1 of a year and ending on September 30 of the same year, inclusive.

(q) "Department" means the South Carolina Department of Health and Environmental Control.

(r) "Emissions" means air pollutants exhausted from a unit or source into the atmosphere, as measured, recorded, and reported to the EPA by the NO_x authorized account representative and as determined by the EPA in accordance with subpart H of this regulation.

(s) "Energy Information Administration" means the Energy Information Administration of the United States Department of Energy.

(t) "EPA" means the United States Environmental Protection Agency.

(u) "Excepted monitoring system" means a monitoring system that follows the procedures and requirements of 40 CFR part 75 section 75.19 or of appendix D or E of 40 CFR part 75 for approved exceptions to the use of continuous monitoring systems.

(v) "Excess emissions" means any tonnage of nitrogen oxides emitted by a NO_x Budget unit during a control period that exceeds the NO_x Budget emissions limitation for the unit.

(w) "Fossil fuel" means natural gas, petroleum, coal, or any form of solid, liquid, or gaseous fuel derived from such material.

(x) "Fossil fuel-fired" means, with regard to a unit:

(1) For units that commenced operation before January 1, 1996, the combination of fossil fuel, alone or in combination with any other fuel, where fossil fuel actually combusted comprises more than 50 percent of the annual heat input on a Btu basis during 1995, or if a unit had not heat input in 1995, during the last year of operation of the unit prior to 1995;

(2) For units that commenced operation on or after January 1, 1996, the combination of fossil fuel, alone or in combination with any other fuel, where fossil fuel actually combusted comprises more than 50 percent of the annual heat input on a Btu basis during any year.

(3) Notwithstanding the definition set forth in 96.2(x)(1) above, a unit shall be deemed fossil fuel-fired if on any year after January 1, 2001, the fossil fuel actually combusted comprises more than 50 percent of

the annual heat input on a Btu basis.

(y) “General account” means a NO_x Allowance Tracking System account, established under subpart F of this regulation, that is not a compliance account or an overdraft account.

(z) “Generator” means a device that produces electricity.

(aa) “Heat input” means the product (in mmBtu/time) of the gross calorific value of the fuel (in Btu/lb) and the fuel feed rate into a combustion device (in mass of fuel/time), as measured, recorded, and reported to the EPA by the NO_x authorized account representative and as determined by the EPA in accordance with subpart H of this regulation, and does not include the heat derived from preheated combustion air, recirculated flue gases, or exhaust from other sources.

(bb) “Life-of-the-unit, firm power contractual arrangement” means a unit participation power sales agreement under which a utility or industrial customer reserves, or is entitled to receive, a specified amount or percentage of nameplate capacity and associated energy from any specified unit and pays its proportional amount of such unit's total costs, pursuant to a contract:

(1) For the life of the unit;

(2) For a cumulative term of no less than 30 years, including contracts that permit an election for early termination; or

(3) For a period equal to or greater than 25 years or 70 percent of the economic useful life of the unit determined as of the time the unit is built, with option rights to purchase or release some portion of the nameplate capacity and associated energy generated by the unit at the end of the period.

(cc) “Low mass emissions unit” means an affected unit that is a gas-fired or oil-fired unit, burns only natural gas or fuel oil and qualifies under 40 CFR part 75 section 75.19.

(dd) “Maximum design heat input” means the ability of a unit to combust a stated maximum amount of fuel per hour on a steady state basis, as determined by the physical design and physical characteristics of the unit.

(ee) “Maximum potential hourly heat input” means an hourly heat input used for reporting purposes when a unit lacks certified monitors to report heat input. If the unit intends to use appendix D of 40 CFR part 75 to report heat input, this value should be calculated, in accordance with 40 CFR part 75, using the maximum fuel flow rate and the maximum gross calorific value. If the unit intends to use a flow monitor and a diluent gas monitor, this value should be reported, in accordance with 40 CFR part 75, using the maximum potential flowrate and either the maximum carbon dioxide concentration (in percent CO₂) or the minimum oxygen concentration (in percent O₂).

(ff) “Maximum potential NO_x emission rate” means the emission rate of nitrogen oxides (in lb/mmBtu) calculated in accordance with section 3 of appendix F of 40 CFR part 75, using the maximum potential nitrogen oxides concentration as defined in section 2 of appendix A of 40 CFR part 75, and either the maximum oxygen concentration (in percent O₂) or the minimum carbon dioxide concentration (in percent CO₂), under all operating conditions of the unit except for unit start up, shutdown, and upsets.

(gg) “Maximum rated hourly heat input” means a unit-specific maximum hourly heat input (mmBtu) which

is the higher of the manufacturer's maximum rated hourly heat input or the highest observed hourly heat input.

(hh) "Monitoring system" means any monitoring system that meets the requirements of subpart H of this regulation, including a continuous emissions monitoring system, an excepted monitoring system, or an alternative monitoring system.

(ii) "Most stringent State or Federal NO_x emissions limitation" means, with regard to a NO_x Budget opt-in source, the lowest NO_x emissions limitation (in terms of lb/mmBtu) that is applicable to the unit under State or Federal law, regardless of the averaging period to which the emissions limitation applies.

(jj) "Nameplate capacity" means the maximum electrical generating output (in MWe) that a generator can sustain over a specified period of time when not restricted by seasonal or other deratings as measured in accordance with the United States Department of Energy standards.

(kk) "Non-Title V permit" means a federally enforceable permit administered by the Department pursuant to the CAA and regulatory authority under the CAA, other than Title V of the CAA and South Carolina Regulation 61-62.70, *Title V Operating Permit Program*.

(ll) "NO_x allowance" means an authorization by the Department under the NO_x Budget Trading Program to emit up to one ton of nitrogen oxides during the control period of the specified year or of any year thereafter.

(mm) "NO_x allowance deduction" or "deduct NO_x allowances" means the permanent withdrawal of NO_x allowances by the EPA from a NO_x Allowance Tracking System compliance account or overdraft account to account for the number of tons of NO_x emissions from a NO_x Budget unit for a control period, determined in accordance with subpart H of this regulation, or for any other allowance surrender obligation under this regulation.

(nn) "NO_x allowances held" or "hold NO_x allowances" means the NO_x allowances recorded by the EPA, or submitted to the EPA for recordation, in accordance with subparts F and G of this regulation, in a NO_x Allowance Tracking System account.

(oo) "NO_x Allowance Tracking System" means the system by which the EPA records allocations, deductions, and transfers of NO_x allowances under the NO_x Budget Trading Program.

(pp) "NO_x Allowance Tracking System account" means an account in the NO_x Allowance Tracking System established by the EPA for purposes of recording the allocation, holding, transferring, or deducting of NO_x allowances.

(qq) "NO_x allowance transfer deadline" means midnight of November 30 or, if November 30 is not a business day, midnight of the first business day thereafter and is the deadline by which NO_x allowances may be submitted for recordation in a NO_x Budget unit's compliance account, or the overdraft account of the source where the unit is located, in order to meet the unit's NO_x Budget emissions limitation for the control period immediately preceding such deadline.

(rr) "NO_x authorized account representative" means, for a NO_x Budget source or NO_x Budget unit at the source, the natural person who is authorized by the owners and operators of the source and all NO_x Budget units at the source, in accordance with subpart B of this regulation, to represent and legally bind each

owner and operator in matters pertaining to the NO_x Budget Trading Program or, for a general account, the natural person who is authorized, in accordance with subpart F of this regulation, to transfer or otherwise dispose of NO_x allowances held in the general account.

(ss) “NO_x Budget emissions limitation” means, for a NO_x Budget unit, the tonnage equivalent of the NO_x allowances available for compliance deduction for the unit and for a control period under Section 96.54(a) and (b), adjusted by any deductions of such NO_x allowances to account for actual utilization under Section 96.42(e) for the control period or to account for excess emissions for a prior control period under Section 96.54(d) or to account for withdrawal from the NO_x Budget Program, or for a change in regulatory status, for a NO_x Budget opt-in source under Section 96.86 or Section 96.87.

(tt) “NO_x Budget opt-in permit” means a NO_x Budget permit covering a NO_x Budget opt-in source.

(uu) “NO_x Budget opt-in source” means a unit that has been elected to become a NO_x Budget unit under the NO_x Budget Trading Program and whose NO_x Budget opt-in permit has been issued and is in effect under subpart I of this regulation.

(vv) “NO_x Budget permit” means the legally binding and federally enforceable written document, or portion of such document, issued by the Department under this regulation, including any permit revisions, specifying the NO_x Budget Trading Program requirements applicable to a NO_x Budget source, to each NO_x Budget unit at the NO_x Budget source, and to the owners and operators and the NO_x authorized account representative of the NO_x Budget source and each NO_x Budget unit.

(ww) “NO_x Budget source” means a source that includes one or more NO_x Budget units.

(xx) “NO_x Budget Trading Program” means a multi-state nitrogen oxides air pollution control and emission reduction program established in accordance with this regulation and pursuant to 40 CFR part 51 section 51.121, as a means of mitigating the interstate transport of ozone and nitrogen oxides, an ozone precursor.

(yy) “NO_x Budget unit” means a unit that is subject to the NO_x Budget Trading Program emissions limitation under Section 96.4 or Section 96.80.

(zz) “Operating” means, with regard to a unit under Sections 96.22(d)(2) and 96.80, having documented heat input for more than 876 hours in the 6 months immediately preceding the submission of an application for an initial NO_x Budget permit under Section 96.83(a).

(aaa) “Operator” means any person who operates, controls, or supervises a NO_x Budget unit, a NO_x Budget source, or unit for which an application for a NO_x Budget opt-in permit under Section 96.83 is submitted and not denied or withdrawn and shall include, but not be limited to, any holding company, utility system, or plant manager of such a unit or source.

(bbb) “Opt-in” means to be elected to become a NO_x Budget unit under the NO_x Budget Trading Program through a final, effective NO_x Budget opt-in permit under subpart I of this regulation.

(ccc) “Overdraft account” means the NO_x Allowance Tracking System account, established by the EPA under subpart F of this regulation, for each NO_x Budget source where there are two or more NO_x Budget units.

(ddd) “Owner” means any of the following persons:

(1) Any holder of any portion of the legal or equitable Title in a NO_x Budget unit or in a unit for which an application for a NO_x Budget opt-in permit under Section 96.83 is submitted and not denied or withdrawn; or

(2) Any holder of a leasehold interest in a NO_x Budget unit or in a unit for which an application for a NO_x Budget opt-in permit under Section 96.83 is submitted and not denied or withdrawn; or

(3) Any purchaser of power from a NO_x Budget unit or from a unit for which an application for a NO_x Budget opt-in permit under Section 96.83 is submitted and not denied or withdrawn under a life-of-the-unit, firm power contractual arrangement. However, unless expressly provided for in a leasehold agreement, owner shall not include a passive lessor, or a person who has an equitable interest through such lessor, whose rental payments are not based, either directly or indirectly, upon the revenues or income from the NO_x Budget unit or the unit for which an application for a NO_x Budget opt-in permit under Section 96.83 is submitted and not denied or withdrawn; or

(4) With respect to any general account, any person who has an ownership interest with respect to the NO_x allowances held in the general account and who is subject to the binding agreement for the NO_x authorized account representative to represent that person's ownership interest with respect to NO_x allowances.

(eee) “Ozone season” means the period of time beginning May 1 of a year and ending on September 30 of the same year, inclusive.

(fff) “Permitting authority” means the South Carolina Department of Health and Environmental Control which is authorized by the EPA to issue or revise permits to meet the requirements of the NO_x Budget Trading Program in accordance with subpart C of this regulation.

(ggg) “Receive or receipt of” means, when referring to the Department or the EPA, to come into possession of a document, information, or correspondence (whether sent in writing or by authorized electronic transmission), as indicated in an official correspondence log, or by a notation made on the document, information, or correspondence, by the Department or the EPA in the regular course of business.

(hhh) “Recordation, record, or recorded” means, with regard to NO_x allowances, the movement of NO_x allowances by the EPA from one NO_x Allowance Tracking System account to another, for purposes of allocation, transfer, or deduction.

(iii) “Reference method” means any direct test method of sampling and analyzing for an air pollutant as specified in appendix A of 40 CFR part 60.

(jjj) “Serial number” means, when referring to NO_x allowances, the unique identification number assigned to each NO_x allowance by the EPA, under Section 96.53(c).

(kkk) “Source” means any governmental, institutional, commercial, or industrial structure, installation, plant, building, or facility that emits or has the potential to emit any regulated air pollutant under the CAA. For purposes of section 502(c) of the CAA, a “source”, including a “source” with multiple units, shall be considered a single “facility.”

(lll) “State” means the State of South Carolina.

(mmm) “State trading program budget” means the total number of NO_x tons apportioned to all NO_x Budget units in a given State, in accordance with the NO_x Budget Trading Program, for use in a given control period.

(nnn) “Submit or serve” means to send or transmit a document, information, or correspondence to the person specified in accordance with the applicable regulation:

(1) In person;

(2) By United States Postal Service; or

(3) By other means of dispatch or transmission and delivery. Compliance with any “submission,” “service,” or “mailing” deadline shall be determined by the date of dispatch, transmission, or mailing and not the date of receipt.

(ooo) “Title V operating permit” means a permit issued under Title V of the CAA and 40 CFR part 70 or 40 CFR part 71, and South Carolina Regulation 61-62.70, *Title V Operating Permit Program*.

(ppp) “Title V operating permit regulations” means the regulations that the EPA has approved or issued as meeting the requirements of Title V of the CAA and 40 CFR part 70 or 71.

(qqq) “Ton or tonnage” means any “short ton” (i.e., 2,000 pounds). For the purpose of determining compliance with the NO_x Budget emissions limitation, total tons for a control period shall be calculated as the sum of all recorded hourly emissions (or the tonnage equivalent of the recorded hourly emissions rates) in accordance with subpart H of this regulation, with any remaining fraction of a ton equal to or greater than 0.50 ton deemed to equal one ton and any fraction of a ton less than 0.50 ton deemed to equal zero tons.

(rrr) “Unit” means a fossil fuel-fired stationary boiler, combustion turbine, or combined cycle system.

(sss) “Unit load” means the total (i.e., gross) output of a unit in any control period (or other specified time period) produced by combusting a given heat input of fuel, expressed in terms of:

(1) The total electrical generation (MWe) produced by the unit, including generation for use within the plant; or

(2) In the case of a unit that uses heat input for purposes other than electrical generation, the total steam pressure (psia) produced by the unit, including steam for use by the unit.

(ttt) “Unit operating day” means a calendar day in which a unit combusts any fuel.

(uuu) “Unit operating hour” or “hour of unit operation” means any hour (or fraction of an hour) during which a unit combusts any fuel.

(vvv) “Utilization” means the heat input (expressed in mmBtu/time) for a unit. The unit’s total heat input for the control period in each year will be determined in accordance with 40 CFR part 75 if the NO_x Budget unit was otherwise subject to the requirements of 40 CFR part 75 for the year, or will be based on

the best available data reported to the EPA for the unit if the unit was not otherwise subject to the requirements of 40 CFR part 75 for the year.

Section 96.3 - Measurements, Abbreviations, and Acronyms.

Measurements, abbreviations, and acronyms used in this regulation are defined as follows:

Btu - British thermal unit.
hr - hour.
Kwh - kilowatt hour.
lb - pounds.
mmBtu - million Btu.
MWe - megawatt electrical.
ton - 2000 pounds
CO₂ - carbon dioxide.
NO_x - nitrogen oxides.
O₂ - oxygen.

Section 96.4 - Applicability.

(a) The following units shall be NO_x Budget units, and any source that includes one or more such units shall be a NO_x Budget source, subject to the requirements of this regulation:

(1)(i) For units that commenced operation before January 1, 1999, a unit serving a generator that has a nameplate capacity greater than 25 MWe and, except for a unit that has a SIC code of 4911 or 4931, produces an annual average of more than one-third of its potential electrical output capacity for sale to the electric grid during any three calendar year period.

(ii) For units that commenced operation on or after January 1, 1999, a unit serving at any time a generator that has a nameplate capacity greater than 25 MWe and produces electricity for sale.

(2)(i) For units that commenced operation before January 1, 1999, a unit that has a maximum design heat input greater than 250 mmBtu/hr and does not serve a generator that has a nameplate capacity greater than 25 MWe if any such generator produces an annual average of more than one-third of its potential electrical output capacity for sale to the electric grid during any three calendar year period.

(ii) For units that commenced operation on or after January 1, 1999, a unit that has a maximum design heat input greater than 250 mmBtu/hr that:

(A) At no time served a generator producing electricity for sale; or

(B) At any time served a generator producing electricity for sale, if any such generator has a nameplate capacity of 25 MWe or less and has the potential to use no more than 50 percent of the potential electrical output capacity of the unit.

(b)(1) Notwithstanding paragraph (a) of this section, a unit under paragraph (a)(1) or (a)(2) of this section that has a federally enforceable permit restricting the unit to the combustion of only natural gas or fuel oil and includes a NO_x emission limitation restricting NO_x emissions during a control period to 25 tons or less and that includes the special provisions in paragraph (b)(4) of this section shall be exempt from the

requirements of the NO_x Budget Trading Program, except for the provisions of this paragraph, Section 96.2, Section 96.3, Section 96.4(a), Section 96.7, and subparts E, F, and G of this regulation. The NO_x emission limitation under this paragraph (b)(1) shall restrict NO_x emissions during the control period by limiting unit operating hours. The restriction on unit operating hours shall be calculated by dividing 25 tons by the unit's maximum potential hourly NO_x mass emissions, which shall equal the unit's maximum rated hourly heat input multiplied by the highest default NO_x emission rate otherwise applicable to the unit under 40 CFR part 75 section 75.19.

(2) The exemption under paragraph (b)(1) of this section shall become effective as follows:

(i) The exemption shall become effective on the date on which the NO_x emission limitation and the special provisions in the permit under paragraph (b)(1) of this section become final; or

(ii) If the NO_x emission limitation and the special provisions in the permit under paragraph (b)(1) of this section become final during a control period and after the first date on which the unit operates during such control period, then the exemption shall become effective on May 1 of such control period, provided that such NO_x emission limitation and the special provisions apply to the unit as of such first date of operation. If such NO_x emission limitation and special provisions do not apply to the unit as of such first date of operation, then the exemption under paragraph (b)(1) of this section shall become effective on October 1 of the year during which such NO_x emission limitation and the special provisions become final.

(3) The Department will provide the EPA written notice of the issuance of such permit under paragraph (b)(1) of this section for a unit under paragraph (a)(1) or (a)(2) of this section, and, upon request, a copy of the permit.

(4) Special provisions.

(i) A unit exempt under paragraph (b)(1) of this section shall comply with the restriction on unit operating hours described in paragraph (b)(1) of this section during the control period in each year.

(ii) The Department will allocate NO_x allowances to the unit under Section 96.41(a) through (c) and Section 96.42(a) through (c). For each control period for which the unit is allocated NO_x allowances under Section 96.41(a) through (c) and Section 96.42(a) through (c):

(A) The owners and operators of the unit must specify a general account, in which the EPA will record the NO_x allowances, and

(B) After the EPA records a NO_x allowance allocations under Section 96.41(a) through (c) and Section 96.42(a) through (c), the EPA will deduct, from the general account under paragraph (b)(4)(ii)(A) of this section, NO_x allowances that are allocated for the same or a prior control period as the NO_x allowances allocated to the unit under Section 96.41(a) through (c) and Section 96.42(a) through (c) and that equal the NO_x emission limitation (in tons of NO_x) on which the unit's exemption under paragraph (b)(1) of this section is based. The NO_x authorized account representative shall ensure that such general account contains the NO_x allowances necessary for completion of such deduction.

(iii) A unit exempt under this paragraph (b) shall report hours of unit operation during the control period in each year to the Department by November 1 of that year.

(iv) For a period of 5 years from the date the records are created, the owners and operators of a unit

exempt under paragraph (b)(1) of this section shall retain, at the source that includes the unit, records demonstrating that the conditions of the federally enforceable permit under paragraph (b)(1) of this section were met, including the restriction on fuel use and unit operating hours. The 5-year period for keeping records may be extended for cause, at any time prior to the end of the period, in writing by the Department or the EPA. The owners and operators bear the burden of proof that the unit met the restriction on unit operating hours.

(v) The owners and operators and, to the extent applicable, the NO_x authorized account representative of a unit exempt under paragraph (b)(1) of this section shall comply with the requirements of the NO_x Budget Trading Program concerning all periods for which the exemption is not in effect, even if such requirements arise, or must be complied with, after the exemption takes effect.

(vi) On the earlier of the following dates, a unit exempt under paragraph (b)(1) of this section shall lose its exemption:

(A) The date on which the restriction on fuel use and unit operating hours described in paragraph (b)(1) of this section is removed from the unit's federally enforceable permit or otherwise becomes no longer applicable to any control period starting in 2004; or

(B) The first date on which the unit fails to comply, or with regard to which the owners and operators fail to meet their burden of proving that the unit is complying, with the restriction on fuel use and unit operating hours described in paragraph (b)(1) of this section during any control period starting in 2004.

(vii) A unit that loses its exemption in accordance with paragraph (b)(4)(vi) of this section shall be subject to the requirements of this part. For the purpose of applying permitting requirements under subpart C of this regulation, allocating allowances under subpart E of this regulation, and applying monitoring requirements under subpart H of this regulation, the unit shall be treated as commencing operation and, if the unit is covered by paragraph (a)(1) of this section, commencing commercial operation on the date the unit loses its exemption.

(viii) A unit that is exempt under paragraph (b)(1) of this section is not eligible to be a NO_x Budget opt-in unit under subpart I of this regulation.

Section 96.5 - Retired Unit Exemption.

(a) This section applies to any NO_x Budget unit, other than a NO_x Budget opt-in source, that is permanently retired.

(b)(1) Any NO_x Budget unit, other than a NO_x Budget opt-in source, that is permanently retired shall be exempt from the NO_x Budget Trading Program, except for the provisions of this section, Sections 96.2, 96.3, 96.4, 96.7 and subparts E, F, and G of this regulation.

(2) The exemption under paragraph (b)(1) of this section shall become effective the day on which the unit is permanently retired. Within 30 days of permanent retirement, the NO_x authorized account representative (authorized in accordance with subpart B of this regulation) shall submit a statement to the Department otherwise responsible for administering any NO_x Budget permit for the unit. A copy of the statement shall be submitted to the EPA. The statement shall state (in a format prescribed by the Department) that the unit is permanently retired and will comply with the requirements of paragraph (c) of

this section.

(3) After receipt of the notice under paragraph (b)(2) of this section, the Department will amend any permit covering the source at which the unit is located to add the provisions and requirements of the exemption under paragraphs (b)(1) and (c) of this section.

(c) Special provisions.

(1) A unit exempt under this section shall not emit any nitrogen oxides, starting on the date that the exemption takes effect. The owners and operators of the unit will be allocated allowances in accordance with subpart E of this regulation.

(2) (i) A unit exempt under this section and located at a source that is required, or but for this exemption would be required, to have a Title V operating permit shall not resume operation unless the NO_x authorized account representative of the source submits a complete NO_x Budget permit application under Section 96.22 for the unit not less than 18 months (or such lesser time provided under the Department's Title V operating permits regulations for final action on a permit application) prior to the later of May 31, 2004, or the date on which the unit is to first resume operation.

(ii) A unit exempt under this section and located at a source that is required, or but for this exemption would be required, to have a non-Title V permit shall not resume operation unless the NO_x authorized account representative of the source submits a complete NO_x Budget permit application under Section 96.22 for the unit not less than 18 months (or such lesser time provided under the Department's non-Title V permits regulations for final action on a permit application) prior to the later of May 31, 2004, or the date on which the unit is to first resume operation.

(3) The owners and operators and, to the extent applicable, the NO_x authorized account representative of a unit exempt under this section shall comply with the requirements of the NO_x Budget Trading Program concerning all periods for which the exemption is not in effect, even if such requirements arise, or must be complied with, after the exemption takes effect.

(4) A unit that is exempt under this section is not eligible to be a NO_x Budget opt-in source under subpart I of this regulation.

(5) For a period of 5 years from the date the records are created, the owners and operators of a unit exempt under this section shall retain at the source that includes the unit, records demonstrating that the unit is permanently retired. The 5-year period for keeping records may be extended for cause, at any time prior to the end of the period, in writing by the Department or the EPA. The owners and operators bear the burden of proof that the unit is permanently retired.

(6) Loss of exemption.

(i) On the earlier of the following dates, a unit exempt under paragraph (b) of this section shall lose its exemption:

(A) The date on which the NO_x authorized account representative submits a NO_x Budget permit application under paragraph (c)(2) of this section; or

(B) The date on which the NO_x authorized account representative is required under paragraph

(c)(2) of this section to submit a NO_x Budget permit application.

(ii) For the purpose of applying monitoring requirements under subpart H of this regulation, a unit that loses its exemption under this section shall be treated as a unit that commences operation or commercial operation on the first date on which the unit resumes operation.

Section 96.6 - Standard Requirements.

(a) Permit Requirements.

(1) The NO_x authorized account representative of each NO_x Budget source required to have a federally enforceable permit and each NO_x Budget unit required to have a federally enforceable permit at the source shall:

(i) Submit to the Department a complete NO_x Budget permit application under Section 96.22 in accordance with the deadlines specified in Section 96.21(b) and (c);

(ii) Submit in a timely manner any supplemental information that the Department determines is necessary in order to review a NO_x Budget permit application and issue or deny a NO_x Budget permit.

(2) The owners and operators of each NO_x Budget source required to have a federally enforceable permit and each NO_x Budget unit required to have a federally enforceable permit at the source shall have a NO_x Budget permit issued by the Department and operate the unit in compliance with such NO_x Budget permit.

(3) The owners and operators of a NO_x Budget source that is not otherwise required to have a federally enforceable permit are not required to submit a NO_x Budget permit application, and to have a NO_x Budget permit, under subpart C of this regulation for such NO_x Budget source.

(b) Monitoring requirements.

(1) The owners and operators and, to the extent applicable, the NO_x authorized account representative of each NO_x Budget source and each NO_x Budget unit at the source shall comply with the monitoring requirements of subpart H of this regulation.

(2) The emissions measurements recorded and reported in accordance with subpart H of this regulation shall be used to determine compliance by the unit with the NO_x Budget emissions limitation under paragraph (c) of this section.

(c) Nitrogen oxides requirements.

(1) The owners and operators of each NO_x Budget source and each Budget unit at the source shall hold NO_x allowances available for compliance deductions under Section 96.54, as of the NO_x allowance transfer deadline, in the unit's compliance account and the source's overdraft account in an amount not less than the total NO_x emissions for the control period from the unit, as determined in accordance with subpart H of this regulation, plus any amount necessary to account for actual utilization under Section 96.42(e) for the control period.

(2) Each ton of nitrogen oxides emitted in excess of the NO_x Budget emissions limitation shall

constitute a separate violation of this regulation, the CAA, and applicable State law.

(3) A NO_x Budget unit shall be subject to the requirements under paragraph (c)(1) of this section starting on the later of May 31, 2004, or the date on which the unit commences operation.

(4) NO_x allowances shall be held in, deducted from, or transferred among NO_x Allowance Tracking System accounts in accordance with subparts E, F, G, and I of this regulation.

(5) A NO_x allowance shall not be deducted, in order to comply with the requirements under paragraph (c)(1) of this section, for a control period in a year prior to the year for which the NO_x allowance was allocated.

(6) A allowance allocated by the Department under the NO_x Budget Trading Program is a limited authorization to emit one ton of nitrogen oxides in accordance with the NO_x Budget Trading Program. No provision of the NO_x Budget Trading Program, the NO_x Budget permit application, the NO_x Budget permit, or an exemption under Section 96.5 and no provision of law shall be construed to limit the authority of the State to terminate or limit such authorization.

(7) A NO_x allowance allocated by the Department under the NO_x Budget Trading Program does not constitute a property right.

(8) Upon recordation by the EPA under subpart F, G, or I of this regulation, every allocation, transfer, or deduction of a NO_x allowance to or from a NO_x Budget unit's compliance account or the overdraft account of the source where the unit is located is deemed to amend automatically, and become a part of, any NO_x Budget permit of the NO_x Budget unit by operation of law without any further review.

(d) Excess emissions requirements.

(1) The owners and operators of a NO_x Budget unit that has excess emissions in any control period shall:

(i) Surrender the NO_x allowances required for deduction under Section 96.54(d)(1); and

(ii) Pay any fine, penalty, or assessment or comply with any other remedy imposed under Section 96.54(d)(3).

(e) Recordkeeping and Reporting Requirements.

(1) Unless otherwise provided, the owners and operators of the NO_x Budget source and each NO_x Budget unit at the source shall keep on site at the source each of the following documents for a period of 5 years from the date the document is created. This period may be extended for cause, at any time prior to the end of 5 years, in writing by the Department or the EPA.

(i) The account certificate of representation for the NO_x authorized account representative for the source and each NO_x Budget unit at the source and all documents that demonstrate the truth of the statements in the account certificate of representation, in accordance with Section 96.13; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new account certificate of representation changing the NO_x authorized account representative.

(ii) All emissions monitoring information, in accordance with subpart H of this regulation; provided that to the extent that subpart H of this regulation provides for a 3-year period for recordkeeping, the 3-year period shall apply.

(iii) Copies of all reports, compliance certifications, and other submissions and all records made or required under the NO_x Budget Trading Program.

(iv) Copies of all documents used to complete a NO_x Budget permit application and any other submission under the NO_x Budget Trading Program or to demonstrate compliance with the requirements of the NO_x Budget Trading Program.

(2) The NO_x authorized account representative of a NO_x Budget source and each NO_x Budget unit at the source shall submit the reports and compliance certifications required under the NO_x Budget Trading Program, including those under subparts D, H, or I of this regulation.

(f) Liability.

(1) Any person who knowingly violates any requirement or prohibition of the NO_x Budget Trading Program, a NO_x Budget permit, or an exemption under Section 96.5 shall be subject to enforcement pursuant to applicable State or Federal law.

(2) Any person who knowingly makes a false material statement in any record, submission, or report under the NO_x Budget Trading Program shall be subject to criminal enforcement pursuant to the applicable State or Federal law.

(3) No permit revision shall excuse any violation of the requirements of the NO_x Budget Trading Program that occurs prior to the date that the revision takes effect.

(4) Each NO_x Budget source and each NO_x Budget unit shall meet the requirements of the NO_x Budget Trading Program.

(5) Any provision of the NO_x Budget Trading Program that applies to a NO_x Budget source (including a provision applicable to the NO_x authorized account representative of a NO_x Budget source) shall also apply to the owners and operators of such source and of the NO_x Budget units at the source.

(6) Any provision of the NO_x Budget Trading Program that applies to a NO_x Budget unit (including a provision applicable to the NO_x authorized account representative of a NO_x budget unit) shall also apply to the owners and operators of such unit. Except with regard to the requirements applicable to units with a common stack under subpart H of this regulation, the owners and operators and the NO_x authorized account representative of one NO_x Budget unit shall not be liable for any violation by any other NO_x Budget unit of which they are not owners or operators or the NO_x authorized account representative and that is located at a source of which they are not owners or operators or the NO_x authorized account representative.

(g) Effect on Other Authorities. No provision of the NO_x Budget Trading Program, a NO_x Budget permit application, a NO_x Budget permit, or an exemption under Section 96.5 shall be construed as exempting or excluding the owners and operators and, to the extent applicable, the NO_x authorized account representative of a NO_x Budget source or NO_x Budget unit from compliance with any other provision of

the applicable, approved State implementation plan, a federally enforceable permit, or the CAA.

Section 96.7 - Computation of Time.

(a) Unless otherwise stated, any time period scheduled, under the NO_x Budget Trading Program, to begin on the occurrence of an act or event shall begin on the day the act or event occurs.

(b) Unless otherwise stated, any time period scheduled, under the NO_x Budget Trading Program, to begin before the occurrence of an act or event shall be computed so that the period ends the day before the act or event occurs.

(c) Unless otherwise stated, if the final day of any time period, under the NO_x Budget Trading Program, falls on a weekend or a State or Federal holiday, the time period shall be extended to the next business day.

SUBPART B - NO_x AUTHORIZED ACCOUNT REPRESENTATIVE FOR NO_x BUDGET SOURCES

Section 96.10 - Authorization and Responsibilities of the NO_x Authorized Account Representative.

(a) Except as provided under Section 96.11, each NO_x Budget source, including all NO_x Budget units at the source, shall have one and only one NO_x authorized account representative, with regard to all matters under the NO_x Budget Trading Program concerning the source or any NO_x Budget unit at the source.

(b) The NO_x authorized account representative of the NO_x Budget source shall be selected by an agreement binding on the owners and operators of the source and all NO_x Budget units at the source.

(c) Upon receipt by the EPA of a complete account certificate of representation under Section 96.13, the NO_x authorized account representative of the source shall represent and, by his or her representations, actions, inactions, or submissions, legally bind each owner and operator of the NO_x Budget source represented and each NO_x Budget unit at the source in all matters pertaining to the NO_x Budget Trading Program, notwithstanding any agreement between the NO_x authorized account representative and such owners and operators. The owners and operators shall be bound by any decision or order issued to the NO_x authorized account representative by the Department, the EPA, or a court regarding the source or unit.

(d) No NO_x Budget permit shall be issued, and no NO_x Allowance Tracking System account shall be established for a NO_x Budget unit at a source, until the EPA has received a complete account certificate of representation under Section 96.13 for a NO_x authorized account representative of the source and the NO_x Budget units at the source.

(e) (1) Each submission under the NO_x Budget Trading Program shall be submitted, signed, and certified by the NO_x authorized account representative for each NO_x Budget source on behalf of which the submission is made. Each such submission shall include the following certification statement by the NO_x authorized account representative: "I am authorized to make this submission on behalf of the owners and operators of the NO_x Budget sources or NO_x Budget units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for

submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.”

(2) The Department and the EPA will accept or act on a submission made on behalf of owner or operators of a NO_x Budget source or a NO_x Budget unit only if the submission has been made, signed, and certified in accordance with paragraph (e)(1) of this section.

Section 96.11 - Alternate NO_x Authorized Account Representative.

(a) An account certificate of representation may designate one and only one alternate NO_x authorized account representative who may act on behalf of the NO_x authorized account representative. The agreement by which the alternate NO_x authorized account representative is selected shall include a procedure for authorizing the alternate NO_x authorized account representative to act in lieu of the NO_x authorized account representative.

(b) Upon receipt by the EPA of a complete account certificate of representation under Section 96.13, any representation, action, inaction, or submission by the alternate NO_x authorized account representative shall be deemed to be a representation, action, inaction, or submission by the NO_x authorized account representative.

(c) Except in this section and Sections 96.10(a), 96.12, 96.13, and 96.51, whenever the term “NO_x authorized account representative” is used in this regulation, the term shall be construed to include the alternate NO_x authorized account representative.

Section 96.12 - Changing the NO_x Authorized Account Representative and the Alternate NO_x Authorized Account Representative; Changes in the Owners and Operators.

(a) Changing the NO_x authorized account representative. The NO_x authorized account representative may be changed at any time upon receipt by the EPA of a superseding complete account certificate of representation under Section 96.13. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous NO_x authorized account representative prior to the time and date when the EPA receives the superseding account certificate of representation shall be binding on the new NO_x authorized account representative and the owners and operators of the NO_x Budget source and the NO_x Budget units at the source.

(b) Changing the alternate NO_x authorized account representative. The alternate NO_x authorized account representative may be changed at any time upon receipt by the EPA of a superseding complete account certificate of representation under Section 96.13. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous alternate NO_x authorized account representative prior to the time and date when the EPA receives the superseding account certificate of representation shall be binding on the new alternate NO_x authorized account representative and the owners and operators of the NO_x Budget source and the NO_x Budget units at the source.

(c) Changes in the owners and operators.

(1) In the event a new owner or operator of a NO_x Budget source or a NO_x Budget unit is not included in the list of owners and operators submitted in the account certificate of representation, such new owner or operator shall be deemed to be subject to and bound by the account certificate of representation, the representations, actions, inactions, and submissions of the NO_x authorized account representative and any

alternate NO_x authorized account representative of the source or unit, and the decisions, orders, actions, and inactions of the Department or the EPA, as if the new owner or operator were included in such list.

(2) Within 30 days following any change in the owners and operators of a NO_x Budget source or a NO_x Budget unit, including the addition of a new owner or operator, the NO_x authorized account representative or alternate NO_x authorized account representative shall submit a revision to the account certificate of representation amending the list of owners and operators to include the change.

Section 96.13 - Account Certificate of Representation.

(a) A complete account certificate of representation for a NO_x authorized account representative or an alternate NO_x authorized account representative shall include the following elements in a format prescribed by the EPA:

(1) Identification of the NO_x Budget source and each NO_x Budget unit at the source for which the account certificate of representation is submitted.

(2) The name, address, e-mail address (if any), telephone number, and facsimile transmission number (if any) of the NO_x authorized account representative and any alternate NO_x authorized account representative.

(3) A list of the owners and operators of the NO_x Budget source and of each NO_x Budget unit at the source.

(4) The following certification statement by the NO_x authorized account representative and any alternate NO_x authorized account representative: "I certify that I was selected as the NO_x authorized account representative or alternate NO_x authorized account representative, as applicable, by an agreement binding on the owners and operators of the NO_x Budget source and each NO_x Budget unit at the source. I certify that I have all the necessary authority to carry out my duties and responsibilities under the NO_x Budget Trading Program on behalf of the owners and operators of the NO_x Budget source and of each NO_x Budget unit at the source and that each such owner and operator shall be fully bound by my representations, actions, inactions, or submissions and by any decision or order issued to me by the Department, the EPA, or a court regarding the source or unit."

(5) The signature of the NO_x authorized account representative and any alternate NO_x authorized account representative and the dates signed.

(b) Unless otherwise required by the Department or the EPA, documents of agreement referred to in the account certificate of representation shall not be submitted to the Department or the EPA. Neither the Department nor the EPA shall be under any obligation to review or evaluate the sufficiency of such documents, if submitted.

Section 96.14 - Objections Concerning the NO_x Authorized Account Representative.

(a) Once a complete account certificate of representation under Section 96.13 has been submitted and received, the Department and the EPA will rely on the account certificate of representation unless and until a superseding complete account certificate of representation under Section 96.13 is received by the EPA.

(b) Except as provided in Section 96.12(a) or (b), no objection or other communication submitted to the

Department or the EPA concerning the authorization, or any representation, action, inaction, or submission of the NO_x authorized account representative shall affect any representation, action, inaction, or submission of the NO_x authorized account representative or the finality of any decision or order by the Department or the EPA under the NO_x Budget Trading Program.

(c) Neither the Department nor the EPA will adjudicate any private legal dispute concerning the authorization or any representation, action, inaction, or submission of any NO_x authorized account representative, including private legal disputes concerning the proceeds of NO_x allowance transfers.

SUBPART C - PERMITS

Section 96.20 - General NO_x Budget Trading Program Permit Requirements.

(a) For each NO_x Budget source required to have a federally enforceable permit, such permit shall include a NO_x Budget permit administered by the Department.

(1) For NO_x Budget sources required to have a Title V operating permit, the NO_x Budget portion of the Title V permit shall be administered in accordance with the Department's Title V operating permits regulations promulgated under 40 CFR part 70 or 71, except as provided otherwise by this subpart or subpart I of this regulation. The applicable provisions of such Title V operating permits regulations shall include, but are not limited to, those provisions addressing operating permit applications, operating permit application shield, operating permit duration, operating permit shield, operating permit issuance, operating permit revision and reopening, public participation, State review, and review by the EPA.

(2) For NO_x Budget sources required to have a non-Title V permit, the NO_x Budget portion of the non-Title V permit shall be administered in accordance with the Department's regulations promulgated to administer non-Title V permits, except as provided otherwise by this subpart or subpart I of this regulation. The applicable provisions of such non-Title V permits regulations may include, but are not limited to, provisions addressing permit applications, permit application shield, permit duration, permit shield, permit issuance, permit revision and reopening, public participation, State review, and review by the EPA.

(b) Each NO_x Budget permit (including a draft or proposed NO_x Budget permit, if applicable) shall contain all applicable NO_x Budget Trading Program requirements and shall be a complete and segregable portion of the permit under paragraph (a) of this section.

Section 96.21 - NO_x Budget Permit Applications.

(a) Duty to apply. The NO_x authorized account representative of any NO_x Budget source required to have a federally enforceable permit shall submit to the Department a complete NO_x Budget permit application under Section 96.22 by the applicable deadline in paragraph (b) of this section.

(b)(1) For NO_x Budget sources required to have a Title V operating permit:

(i) For any source, with one or more NO_x Budget units under Section 96.4 that commence operation before January 1, 2000, the NO_x authorized account representative shall submit a complete NO_x Budget permit application under Section 96.22 covering such NO_x Budget units to the Department at least 18 months (or such lesser time provided under the Department's Title V operating permits regulations for final action on a permit application) before May 31, 2004.

(ii) For any source, with any NO_x Budget unit under Section 96.4 that commences operation on or after January 1, 2000, the NO_x authorized account representative shall submit a complete NO_x Budget permit application under Section 96.22 covering such NO_x Budget unit to the Department at least 18 months (or such lesser time provided under the Department's Title V operating permits regulations for final action on a permit application) before the later of May 31, 2004, or the date on which the NO_x Budget unit commences operation.

(2) For NO_x Budget sources required to have a non-Title V permit:

(i) For any source, with one or more NO_x Budget units under Section 96.4 that commence operation before January 1, 2000, the NO_x authorized account representative shall submit a complete NO_x Budget permit application under Section 96.22 covering such NO_x Budget units to the Department at least 18 months (or such lesser time provided under the Department's non-Title V permits regulations for final action on a permit application) before May 31, 2004.

(ii) For any source, with any NO_x Budget unit under Section 96.4 that commences operation on or after January 1, 2000, the NO_x authorized account representative shall submit a complete NO_x Budget permit application under Section 96.22 covering such NO_x Budget unit to the Department at least 18 months (or such lesser time provided under the Department's non-Title V permits regulations for final action on a permit application) before the later of May 31, 2004, or the date on which the NO_x Budget unit commences operation.

(c) Duty to Reapply.

(1) For a NO_x Budget source required to have a Title V operating permit, the NO_x authorized account representative shall submit a complete NO_x Budget permit application under Section 96.22 for the NO_x Budget source covering the NO_x Budget units at the source in accordance with the Department's Title V operating permits regulations addressing operating permit renewal.

(2) For a NO_x Budget source required to have a non-Title V permit, the NO_x authorized account representative shall submit a complete NO_x Budget permit application under Section 96.22 for the NO_x Budget source covering the NO_x Budget units at the source in accordance with the Department's non-Title V permits regulations addressing permit renewal.

Section 96.22 - Information Requirements for NO_x Budget Permit Applications.

A complete NO_x Budget permit application shall include the following elements concerning the NO_x Budget source for which the application is submitted, in a format prescribed by the Department:

(a) Identification of the NO_x Budget source, including plant name and the ORIS (Office of Regulatory Information Systems) or facility code assigned to the source by the Energy Information Administration, if applicable;

(b) Identification of each NO_x Budget unit at the NO_x Budget source and whether it is a NO_x Budget unit under Section 96.4 or under subpart I of this regulation;

(c) The standard requirements under Section 96.6; and

(d) For each NO_x Budget opt-in unit at the NO_x Budget source, the following certification statements by the NO_x authorized account representative:

(1) "I certify that each unit for which this permit application is submitted under subpart I of this regulation is not a NO_x Budget unit under 40 CFR part 96.4 and is not covered by a retired unit exemption under 40 CFR part 96.5 that is in effect."

(2) If the application is for an initial NO_x Budget opt-in permit, "I certify that each unit for which this permit application is submitted under subpart I is currently operating, as that term is defined under 40 CFR part 96.2."

Section 96.23 - NO_x Budget Permit Contents.

(a) Each NO_x Budget permit (including any draft or proposed NO_x Budget permit, if applicable) will contain, in a format prescribed by the Department, all elements required for a complete NO_x Budget permit application under Section 96.22.

(b) Each NO_x Budget permit is deemed to incorporate automatically the definitions of terms under Section 96.2 and, upon recordation by the EPA under subparts F, G, or I of this regulation, every allocation, transfer, or deduction of a NO_x allowance to or from the compliance accounts of the NO_x Budget units covered by the permit or the overdraft account of the NO_x Budget source covered by the permit.

Section 96.24 - Effective Date of Initial NO_x Budget Permit.

The initial NO_x Budget permit covering a NO_x Budget unit for which a complete NO_x Budget permit application is timely submitted under Section 96.21(b) shall become effective by the later of:

(a) May 31, 2004;

(b) May 1 of the year in which the NO_x Budget unit commences operation, if the unit commences operation on or before May 1 of that year;

(c) The date on which the NO_x Budget unit commences operation, if the unit commences operation during a control period; or

(d) May 1 of the year following the year in which the NO_x Budget unit commences operation, if the unit commences operation on or after October 1 of the year.

Section 96.25 - NO_x Budget Permit Revisions.

(a) For a NO_x Budget source with a Title V operating permit, except as provided in Section 96.23(b), the Department will revise the NO_x Budget permit, as necessary, in accordance with the Department's Title V operating permits regulations addressing permit revisions.

(b) For a NO_x Budget source with a non-Title V permit, except as provided in Section 96.23(b), the Department will revise the NO_x Budget permit, as necessary, in accordance with the Department's non-Title V permits regulations addressing permit revisions.

SUBPART D - COMPLIANCE CERTIFICATION

Section 96.30 - Compliance Certification Report.

(a) Applicability and deadline. For each control period in which one or more NO_x Budget units at a source are subject to the NO_x Budget emissions limitation, the NO_x authorized account representative of the source shall submit to the Department and the EPA by November 30 of that year, a compliance certification report for each source covering all such units.

(b) Contents of report. The NO_x authorized account representative shall include in the compliance certification report under paragraph (a) of this section the following elements, in a format prescribed by the EPA, concerning each unit at the source and subject to the NO_x Budget emissions limitation for the control period covered by the report:

(1) Identification of each NO_x Budget unit;

(2) At the NO_x authorized account representative's option, the serial numbers of the NO_x allowances that are to be deducted from each unit's compliance account under Section 96.54 for the control period;

(3) At the NO_x authorized account representative's option, for units sharing a common stack and having NO_x emissions that are not monitored separately or apportioned in accordance with subpart H of this regulation, the percentage of allowances that is to be deducted from each unit's compliance account under Section 96.54(e); and

(4) The compliance certification under paragraph (c) of this section.

(c) Compliance certification. In the compliance certification report under paragraph (a) of this section, the NO_x authorized account representative shall certify, based on reasonable inquiry of those persons with primary responsibility for operating the source and the NO_x Budget units at the source in compliance with the NO_x Budget Trading Program, whether each NO_x Budget unit for which the compliance certification is submitted was operated during the calendar year covered by the report in compliance with the requirements of the NO_x Budget Trading Program applicable to the unit, including:

(1) Whether the unit was operated in compliance with the NO_x Budget emissions limitation;

(2) Whether the monitoring plan that governs the unit has been maintained to reflect the actual operation and monitoring of the unit, and contains all information necessary to attribute NO_x emissions to the unit, in accordance with subpart H of this regulation;

(3) Whether all the NO_x emissions from the unit, or a group of units (including the unit) using a common stack, were monitored or accounted for through the missing data procedures and reported in the quarterly monitoring reports, including whether conditional data were reported in the quarterly reports in accordance with subpart H of this regulation. If conditional data were reported, the owner or operator shall indicate whether the status of all conditional data has been resolved and all necessary quarterly report resubmissions has been made;

(4) Whether the facts that form the basis for certification under subpart H of this regulation of each monitor at the unit or a group of units (including the unit) using a common stack, or for using an excepted monitoring method or alternative monitoring method approved under subpart H of this regulation, if any,

has changed; and

(5) If a change is required to be reported under paragraph (c)(4) of this section, specify the nature of the change, the reason for the change, when the change occurred, and how the unit's compliance status was determined subsequent to the change, including what method was used to determine emissions when a change mandated the need for monitor recertification.

Section 96.31 - Department's and EPA's Action On Compliance Certifications.

(a) The Department or the EPA may review and conduct independent audits concerning any compliance certification or any other submission under the NO_x Budget Trading Program and make appropriate adjustments of the information in the compliance certifications or other submissions.

(b) The EPA may deduct NO_x allowances from or transfer NO_x allowances to a unit's compliance account or a source's overdraft account based on the information in the compliance certifications or other submissions, as adjusted under paragraph (a) of this section.

SUBPART E - NO_x ALLOWANCE ALLOCATIONS

Section 96.40 - State Trading Program Budget.

The State trading program budget allocated by the Department under Section 96.42 for a control period is 19,678 tons. In accordance with Sections 96.41 and 96.42, the Department will allocate to the NO_x Budget units under Section 96.4(a) for each control period a total number of NO_x allowances equal to the trading program budget specified above, less the sum of the NO_x emission limitations (in tons) for each unit exempt under Section 96.4(b) that is not allocated any NO_x allowances under Section 96.42(b) or (c) for the control period and whose NO_x emission limitation (in tons of NO_x) is not included in the amount calculated under Section 96.42(d)(5)(ii)(B).

Section 96.41 - Timing Requirements for NO_x Allowance Allocations.

(a) By the effective date of this regulation, the Department will submit to the EPA the NO_x allowance allocations, in accordance with Section 96.42, for the control periods in 2004, 2005, and 2006.

(b) By April 1, 2004, and by April 1 of each five years thereafter, the Department will submit to the EPA the NO_x allowance allocations, in accordance with Section 96.42, for the control periods in the years that are three, four, five, six and seven years after the applicable deadline for submission under this paragraph (b). If the Department fails to submit to the EPA the NO_x allowance allocations in accordance with this paragraph (b), the EPA will allocate, for the applicable control period, the same number of NO_x allowances as were allocated for the preceding control period.

(c) By April 1, 2005 and April 1 of each year thereafter, the Department will submit to the EPA the NO_x allowance allocations, in accordance with Section 96.42, for any NO_x allowances remaining in the allocation set-aside for the prior control period.

Section 96.42 - NO_x Allowance Allocations.

(a) (1) The heat input (in mmBtu) used for calculating NO_x allowance allocations for each NO_x Budget

unit under Section 96.4 will be:

(i) For a NO_x allowance allocation under Section 96.41(a), the average of the two highest amounts of the unit's heat input for the control periods in 1995, 1996, 1997, 1998, and 1999, if the unit is under Section 96.4(a)(1), or if the unit is under Section 96.4(a)(2), the NO_x allowance shall be as set forth in the State Implementation Plan; and

(ii) For a NO_x allowance allocation under Section 96.41(b), the average of the two highest amounts of the unit's heat input for the control period in the years that are four, five, six, seven and eight years before the first year for which the NO_x allocation is being calculated or if a unit only operated during one of these control periods the heat input during the single year of operation.

(2) The unit's total heat input for the control period in each year specified under paragraph (a)(1) of this section will be determined in accordance with 40 CFR part 75 if the NO_x Budget unit was otherwise subject to the requirements of 40 CFR part 75 for the year, or will be based on the best available data reported to the Department for the unit if the unit was not otherwise subject to the requirements of 40 CFR part 75 for the year.

(b) For each control period under Section 96.41, the Department will allocate to all NO_x Budget units under Section 96.4(a)(1) in the State that commenced operation before May 1 of the period used to calculate heat input under paragraph (a)(1) of this section, a total number of NO_x allowances equal to 96 percent in 2004, 2005, and 2006, or 97 percent thereafter, of the tons of NO_x emissions in the State trading program budget apportioned to electric generating units under Section 96.40 in accordance with the following procedures:

(1) The Department will allocate NO_x allowances to each NO_x Budget unit under Section 96.4(a)(1) in an amount equaling 0.15 lb/mmBtu multiplied by the heat input determined under paragraph (a) of this section, rounded to the nearest whole NO_x allowance as appropriate.

(2) If the initial total number of NO_x allowances allocated to all NO_x Budget units under Section 96.4(a)(1) in the State for a control period under paragraph (b)(1) of this section does not equal 96 percent in 2004, 2005, and 2006, or 97 percent thereafter, of the number of tons of NO_x emissions in the State trading program budget apportioned to electric generating units, the Department will adjust the total number of NO_x allowances allocated to all such NO_x Budget units for the control period under paragraph (b)(1) of this section so that the total number of NO_x allowances allocated equals 96 percent in 2004, 2005, and 2006, or 97 percent thereafter, of the number of tons of NO_x emissions in the State trading program budget apportioned to electric generating units. This adjustment will be made by: multiplying each unit's allocation by 96 percent in 2004, 2005, and 2006, or 97 percent thereafter, of the number of tons of NO_x emissions in the State trading program budget apportioned to electric generating units divided by the total number of NO_x allowances allocated under paragraph (b)(1) of this section, and rounding to the nearest whole NO_x allowance as appropriate.

(c) For each control period under Section 96.41, the Department will allocate to all NO_x Budget units under Section 96.4(a)(2) in the State that commenced operation before May 1 of the period used to calculate heat input under paragraph (a)(1) of this section, a total number of NO_x allowances equal to 96 percent in 2004, 2005, and 2006, or 97 percent thereafter, of the tons of NO_x emissions in the State trading program budget apportioned to non-electric generating units under Section 96.40 in accordance with the following procedures:

(1) The Department will allocate NO_x allowances to each NO_x Budget unit under Section 96.4(a)(2) in an amount equaling 0.17 lb/mmBtu multiplied by the heat input determined under paragraph (a) of this section, rounded to the nearest whole NO_x allowance as appropriate.

(2) If the initial total number of NO_x allowances allocated to all NO_x Budget units under Section 96.4(a)(2) in the State for a control period under paragraph (c)(1) of this section does not equal 96 percent in 2004, 2005, and 2006, or 97 percent thereafter, of the number of tons of NO_x emissions in the State trading program budget apportioned to non-electric generating units, the Department will adjust the total number of NO_x allowances allocated to all such NO_x Budget units for the control period under paragraph (c)(1) of this section so that the total number of NO_x allowances allocated equals 96 percent in 2004, 2005, and 2006, or 97 percent thereafter, of the number of tons of NO_x emissions in the State trading program budget apportioned to non-electric generating units. This adjustment will be made by: multiplying each unit's allocation by 96 percent in 2004, 2005, and 2006, or 97 percent thereafter, of the number of tons of NO_x emissions in the State trading program budget apportioned to non-electric generating units divided by the total number of NO_x allowances allocated under paragraph (c)(1) of this section, and rounding to the nearest whole NO_x allowance as appropriate.

(d) For each control period under Section 96.41, the Department will allocate NO_x allowances to NO_x Budget units under Section 96.4 in the State that commenced operation, or are projected to commence operation, on or after May 1 of the year that is four years prior to the first year of the period for which NO_x allowances are being calculated, in accordance with the following procedures:

(1) The Department will establish one allocation set-aside for each control period. Each allocation set-aside will be allocated NO_x allowances equal to 4 percent in 2004, 2005, and 2006, or 3 percent thereafter, of the tons of NO_x emissions in the State trading program budget under Section 96.40, rounded to the nearest whole NO_x allowance as appropriate.

(2) The NO_x authorized account representative of a NO_x Budget unit under paragraph (d) of this section may submit to the Department a request, in writing or in a format specified by the Department, to be allocated NO_x allowances for the control period. The NO_x allowance allocation request must be received on or after the date on which the Department issues a permit to construct the unit and by January 1 before the control period for which the NO_x allowance allocation is requested.

(3) In a NO_x allowance allocation request under paragraph (d)(2) of this section, the NO_x authorized account representative for units under Section 96.4(a)(1) may request for a control period NO_x allowances in an amount that does not exceed 0.15 lb/mmBtu multiplied by the NO_x Budget unit's maximum design heat input (in mmBtu/hr) multiplied by the number of hours remaining in the control period starting with the first day in the control period on which the unit operated or is projected to operate.

(4) In a NO_x allowance allocation request under paragraph (d)(2) of this section, the NO_x authorized account representative for units under Section 96.4(a)(2) may request for a control period NO_x allowances in an amount that does not exceed 0.17 lb/mmBtu multiplied by the NO_x Budget unit's maximum design heat input (in mmBtu/hr) multiplied by the number of hours remaining in the control period starting with the first day in the control period on which the unit operated or is projected to operate.

(5) The Department will review each NO_x allowance allocation request under paragraph (d)(2) of this and will allocate NO_x allowances pursuant to such request as follows:

(i) Upon receipt of the NO_x allowance allocation request, the permitting authority will determine

whether, and will make any necessary adjustments to the request to ensure that, for units under Section 96.4(a)(1), the control period and the number of allowances specified are consistent with the requirements of paragraphs (d)(2) and (3) of this section and, for units under Section 96.4(a)(2), the control period and the number of allowances specified are consistent with the requirements of paragraphs(d)(2) and (4) of this section.

(ii) The Department will determine the following:

(A) The sum of the NO_x allowances requested (as adjusted under paragraph (d)(5)(i) of this section) in all NO_x allowance allocation requests under paragraph (d)(2) of this section for the control period; and

(B) For units exempt under Section 96.4(b), the sum of the NO_x emission limitations (in tons of NO_x) on which each unit's exemption under Section 96.4(b) is based.

(iii) If the number of NO_x allowances in the allocation set-aside for the control is not less than the amount determined under paragraph (d)(5)(ii) of this section, the Department will allocate the amount of the NO_x allowances requested (as adjusted under paragraph (d)(5)(i) of this section) to the NO_x Budget unit for which the allocation request was submitted.

(iv) If the number of NO_x allowances in the allocation set-aside for the control is less than the amount determined under paragraph (d)(5)(ii) of this section, the Department will allocate, to the NO_x Budget unit for which the allocation request was submitted, the amount of NO_x allowances requested (as adjusted under paragraph (d)(5)(i) of this section) multiplied by the number of NO_x allowances in the allocation set-aside for the control period, divided by the amount determined under paragraph (d)(5)(ii) of this section, and rounded to the nearest whole number of NO_x allowances as appropriate.

(iv) Once an allocation set-aside for a control period has been depleted of all NO_x allowances, the permitting authority will deny, and will not allocate any NO_x allowances pursuant to, any NO_x allowance allocation request under which NO_x allowances have not already been allocated for the control period.

(6) By no later than March 1 of each control period, the Department will take appropriate action under paragraph (d)(5) of this section and notify the NO_x authorized account representative that submitted the request and the EPA of the number of NO_x allowances (if any) allocated for the control period to the NO_x Budget unit.

(e) For a NO_x Budget unit that is allocated NO_x allowances under paragraph (d) of this section for a control period, the EPA will deduct NO_x allowances under Section 96.54(b) or (e) to account for the actual utilization of the unit during the control period. The EPA will calculate the number of NO_x allowances to be deducted to account for the unit's actual utilization using the following formulas and rounding to the nearest whole NO_x allowance as appropriate, provided that the number of NO_x allowances to be deducted shall be zero if the number calculated is less than zero:

NO_x allowances deducted for actual utilization for units under Section 96.4(a)(1) = (Unit's NO_x allowances allocated for control period) - (Unit's actual control period utilization x 0.15 lb/mmBtu); and

NO_x allowances deducted for actual utilization for units under Section 96.4(a)(2) = (Unit's NO_x allowances allocated for control period) - (Unit's actual control period utilization x 0.17 lb/mmBtu)
where:

“Unit’s NO_x allowances allocated for control period” is the number of NO_x allowances allocated to the unit for the control period under paragraph (d) of this section; and

“Unit’s actual control period utilization” is the utilization (in mmBtu), as defined in Section 96.2, of the unit during the control period.

(f) After making the deductions for compliance under Section 96.54(b) or (e) for a control period, the EPA will notify the Department whether any NO_x allowances remain in the allocation set-aside for the control period. The Department will allocate any such NO_x allowances to the NO_x Budget units in the State using the following formula and rounding to the nearest whole NO_x allowance as appropriate:

Unit’s share of NO_x allowances remaining in allocation set-aside = Total NO_x allowances remaining in allocation set-aside x (Unit’s NO_x allowance allocation ÷ State trading program budget excluding allocation set-aside)

where:

“Total NO_x allowances remaining in allocation set-aside” is the total number of NO_x allowances remaining in the allocation set-aside for the control period to which the allocation set-aside applies;

“Unit’s NO_x allowance allocation” is the number of NO_x allowances allocated under paragraph (b) or (c) of this section to the unit for the control period to which the allocation set-aside applies; and

“State trading program budget excluding allocation set-aside” is the State trading program budget under Section 96.40 for the control period to which the allocation set-aside applies multiplied by 96 percent if the control period is in 2004, 2005, or 2006, or 97 percent if the control period is in any year thereafter, rounded to the nearest whole NO_x allowance as appropriate.

SUBPART F - NO_x ALLOWANCE TRACKING SYSTEM

Section 96.50 - NO_x Allowance Tracking System Accounts.

(a) Nature and function of compliance accounts and overdraft accounts. Consistent with Section 96.51(a), the EPA will establish one compliance account for each NO_x Budget unit and one overdraft account for each source with one or more NO_x Budget units. Allocations of NO_x allowances pursuant to subpart E of this regulation or Section 96.88 and deductions or transfers of NO_x allowances pursuant to Section 96.31, Section 96.54, Section 96.56, subpart G of this regulation, or subpart I of this regulation will be recorded in the compliance accounts or overdraft accounts in accordance with this subpart.

(b) Nature and function of general accounts. Consistent with Section 96.51(b), the EPA will establish, upon request, a general account for any person. Transfers of allowances pursuant to subpart G of this regulation will be recorded in the general account in accordance with this subpart.

Section 96.51 - Establishment of Accounts.

(a) Compliance accounts and overdraft accounts. Upon receipt of a complete account certificate of representation under Section 96.13, the EPA will establish:

(1) A compliance account for each NO_x Budget unit for which the account certificate of representation was submitted; and

(2) An overdraft account for each source for which the account certificate of representation was submitted and that has two or more NO_x Budget units.

(b) General accounts.

(1) Any person may apply to open a general account for the purpose of holding and transferring allowances. A complete application for a general account shall be submitted to the EPA and shall include the following elements in a format prescribed by the EPA:

(i) Name, mailing address, e-mail address (if any), telephone number, and facsimile transmission number (if any) of the NO_x authorized account representative and any alternate NO_x authorized account representative;

(ii) At the option of the NO_x authorized account representative, organization name and type of organization;

(iii) A list of all persons subject to a binding agreement for the NO_x authorized account representative or any alternate NO_x authorized account representative to represent their ownership interest with respect to the allowances held in the general account;

(iv) The following certification statement by the NO_x authorized account representative and any alternate NO_x authorized account representative: "I certify that I was selected as the NO_x authorized account representative or the NO_x alternate authorized account representative, as applicable, by an agreement that is binding on all persons who have an ownership interest with respect to allowances held in the general account. I certify that I have all the necessary authority to carry out my duties and responsibilities under the NO_x Budget Trading Program on behalf of such persons and that each such person shall be fully bound by my representations, actions, inactions, or submissions and by any order or decision issued to me by the EPA or a court regarding the general account."

(v) The signature of the NO_x authorized account representative and any alternate NO_x authorized account representative and the dates signed.

(vi) Unless otherwise required by the Department or the EPA, documents of agreement referred to in the account certificate of representation shall not be submitted to the Department or the EPA. Neither the Department nor the EPA shall be under any obligation to review or evaluate the sufficiency of such documents, if submitted.

(2) Upon receipt by the EPA of a complete application for a general account under paragraph (b)(1) of this section:

(i) The EPA will establish a general account for the person or persons for whom the application is submitted.

(ii) The NO_x authorized account representative and any alternate NO_x authorized account representative for the general account shall represent and, by his or her representations, actions, inactions,

or submissions, legally bind each person who has an ownership interest with respect to NO_x allowances held in the general account in all matters pertaining to the NO_x Budget Trading Program, notwithstanding any agreement between the NO_x authorized account representative or any alternate NO_x authorized account representative and such person. Any such person shall be bound by any order or decision issued to the NO_x authorized account representative or any alternate NO_x authorized account representative by the EPA or a court regarding the general account.

(iii) Each submission concerning the general account shall be submitted, signed, and certified by the NO_x authorized account representative or any alternate NO_x authorized account representative for the persons having an ownership interest with respect to NO_x allowances held in the general account. Each such submission shall include the following certification statement by the NO_x authorized account representative or any alternate NO_x authorized account representative any: "I am authorized to make this submission on behalf of the persons having an ownership interest with respect to the NO_x allowances held in the general account. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."

(iv) The EPA will accept or act on a submission concerning the general account only if the submission has been made, signed, and certified in accordance with paragraph (b)(2)(iii) of this section.

(3)(i) An application for a general account may designate one and only one NO_x authorized account representative and one and only one alternate NO_x authorized account representative who may act on behalf of the NO_x authorized account representative. The agreement by which the alternate NO_x authorized account representative is selected shall include a procedure for authorizing the alternate NO_x authorized account representative to act in lieu of the NO_x authorized account representative.

(ii) Upon receipt by the EPA of a complete application for a general account under paragraph (b)(1) of this section, any representation, action, inaction, or submission by any alternate NO_x authorized account representative shall be deemed to be a representation, action, inaction, or submission by the NO_x authorized account representative.

(4)(i) The NO_x authorized account representative for a general account may be changed at any time upon receipt by the EPA of a superseding complete application for a general account under paragraph (b)(1) of this section. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous NO_x authorized account representative prior to the time and date when the EPA receives the superseding application for a general account shall be binding on the new NO_x authorized account representative and the persons with an ownership interest with respect to the allowances in the general account.

(ii) The alternate NO_x authorized account representative for a general account may be changed at any time upon receipt by the EPA of a superseding complete application for a general account under paragraph (b)(1) of this section. Notwithstanding any such change, all representations, actions, inactions, and submissions by the previous alternate NO_x authorized account representative prior to the time and date when the EPA receives the superseding application for a general account shall be binding on the new alternate NO_x authorized account representative and the persons with an ownership interest with respect to the allowances in the general account.

(iii)(A) In the event a new person having an ownership interest with respect to NO_x allowances in the general account is not included in the list of such persons in the account certificate of representation, such new person shall be deemed to be subject to and bound by the account certificate of representation, the representation, actions, inactions, and submissions of the NO_x authorized account representative and any alternate NO_x authorized account representative of the source or unit, and the decisions, orders, actions, and inactions of the EPA, as if the new person were included in such list.

(B) Within 30 days following any change in the persons having an ownership interest with respect to NO_x allowances in the general account, including the addition of persons, the NO_x authorized account representative or any alternate NO_x authorized account representative shall submit a revision to the application for a general account amending the list of persons having an ownership interest with respect to the NO_x allowances in the general account to include the change.

(5)(i) Once a complete application for a general account under paragraph (b)(1) of this section has been submitted and received, the EPA will rely on the application unless and until a superseding complete application for a general account under paragraph (b)(1) of this section is received by the EPA.

(ii) Except as provided in paragraph (b)(4) of this section, no objection or other communication submitted to the EPA concerning the authorization, or any representation, action, inaction, or submission of the NO_x authorized account representative or any alternate NO_x authorized account representative for a general account shall affect any representation, action, inaction, or submission of the NO_x authorized account representative or any alternate NO_x authorized account representative or the finality of any decision or order by the EPA under the NO_x Budget Trading Program.

(iii) The EPA will not adjudicate any private legal dispute concerning the authorization or any representation, action, inaction, or submission of the NO_x authorized account representative or any alternate NO_x authorized account representative for a general account, including private legal disputes concerning the proceeds of NO_x allowance transfers.

(c) Account identification. The EPA will assign a unique identifying number to each account established under paragraph (a) or (b) of this section.

Section 96.52 - NO_x Allowance Tracking System Responsibilities of NO_x Authorized Account Representative.

(a) Following the establishment of a NO_x Allowance Tracking System account, all submissions to the EPA pertaining to the account, including, but not limited to, submissions concerning the deduction or transfer of NO_x allowances in the account, shall be made only by the NO_x authorized account representative for the account.

(b) Authorized account representative identification. The EPA will assign a unique identifying number to each NO_x authorized account representative.

Section 96.53 - Recordation of NO_x Allowance Allocations.

(a) The EPA will record the NO_x allowances for 2004 in the NO_x Budget units' compliance accounts and the allocation set-asides, as allocated under subpart E of this regulation. The EPA will also record the NO_x allowances allocated under Section 96.88(a)(1) for each NO_x Budget opt-in source in its compliance

account.

(b) Each year, after the EPA has made all deductions from a NO_x Budget unit's compliance account and the overdraft account pursuant to Section 96.54, the EPA will record NO_x allowances, as allocated to the unit under subpart E of this regulation or under Section 96.88(a)(2), in the compliance account for the year after the last year for which allowances were previously allocated to the compliance account. Each year, the EPA will also record NO_x allowances, as allocated under subpart E of this regulation, in the allocation set-aside for the year after the last year for which allowances were previously allocated to an allocation set-aside.

(c) Serial numbers for allocated NO_x allowances. When allocating NO_x allowances to and recording them in an account, the EPA will assign each NO_x allowance a unique identification number that will include digits identifying the year for which the NO_x allowance is allocated.

Section 96.54 - Compliance.

(a) NO_x allowance transfer deadline. The NO_x allowances are available to be deducted for compliance with a unit's NO_x Budget emissions limitation for a control period in a given year only if the NO_x allowances:

(1) Were allocated for a control period in a prior year or the same year; and

(2) Are held in the unit's compliance account, or the overdraft account of the source where the unit is located, as of the NO_x allowance transfer deadline for that control period or are transferred into the compliance account or overdraft account by a NO_x allowance transfer correctly submitted for recordation under Section 96.60 by the NO_x allowance transfer deadline for that control period.

(b) Deductions for compliance.

(1) Following the recordation, in accordance with Section 96.61, of NO_x allowance transfers submitted for recordation in the unit's compliance account or the overdraft account of the source where the unit is located by the NO_x allowance transfer deadline for a control period, the EPA will deduct NO_x allowances available under paragraph (a) of this section to cover the unit's NO_x emissions (as determined in accordance with subpart H of this regulation), or to account for actual utilization under Section 96.42(e), for the control period:

(i) From the compliance account; and

(ii) Only if no more NO_x allowances available under paragraph (a) of this section remain in the compliance account, from the overdraft account. In deducting allowances for units at the source from the overdraft account, the EPA will begin with the unit having the compliance account with the lowest NO_x Allowance Tracking System account number and end with the unit having the compliance account with the highest NO_x Allowance Tracking System account number (with account numbers sorted beginning with the left-most character and ending with the right-most character and the letter characters assigned values in alphabetical order and less than all numeric characters).

(2) The EPA will deduct NO_x allowances first under paragraph (b)(1)(i) of this section and then under paragraph (b)(1)(ii) of this section:

(i) Until the number of NO_x allowances deducted for the control period equals the number of tons of

NO_x emissions, determined in accordance with subpart H of this regulation, from the unit for the control period for which compliance is being determined, plus the number of NO_x allowances required for deduction to account for actual utilization under Section 96.42(e) for the control period; or

(ii) Until no more NO_x allowances available under paragraph (a) of this section remain in the respective account.

(c) (1) Identification of NO_x allowances by serial number. The NO_x authorized account representative for each compliance account may identify by serial number the NO_x allowances to be deducted from the unit's compliance account under paragraph (b), (d), or (e) of this section. Such identification shall be made in the compliance certification report submitted in accordance with Section 96.30.

(2) First-in, first-out. The EPA will deduct NO_x allowances for a control period from the compliance account, in the absence of an identification or in the case of a partial identification of NO_x allowances by serial number under paragraph (c)(1) of this section, or the overdraft account on a first-in, first-out (FIFO) accounting basis in the following order:

(i) Those NO_x allowances that were allocated for the control period to the unit under subpart E or I of this regulation;

(ii) Those NO_x allowances that were allocated for the control period to any unit and transferred and recorded in the account pursuant to subpart G of this regulation, in order of their date of recordation;

(iii) Those NO_x allowances that were allocated for a prior control period to the unit under subpart E or I of this regulation; and

(iv) Those NO_x allowances that were allocated for a prior control period to any unit and transferred and recorded in the account pursuant to subpart G of this regulation, in order of their date of recordation.

(d) Deductions for excess emissions.

(1) After making the deductions for compliance under paragraph (b) of this section, the EPA will deduct from the unit's compliance account or the overdraft account of the source where the unit is located a number of NO_x allowances, allocated for a control period after the control period in which the unit has excess emissions, equal to three times the number of the unit's excess emissions.

(2) If the compliance account or overdraft account does not contain sufficient NO_x allowances, the EPA will deduct the required number of NO_x allowances, regardless of the control period for which they were allocated, whenever NO_x allowances are recorded in either account.

(3) Any allowance deduction required under paragraph (d) of this section shall not affect the liability of the owners and operators of the NO_x Budget unit for any fine, penalty, or assessment, or their obligation to comply with any other remedy, for the same violation, as ordered under the CAA or applicable State law. The following guidelines will be followed in assessing fines, penalties or other obligations:

(i) For purposes of determining the number of days of violation, if a NO_x Budget unit has excess emissions for a control period, each day in the control period (153 days) constitutes a day in violation unless the owners and operators of the unit demonstrate that a lesser number of days should be considered.

(ii) Each ton of excess emissions is a separate violation.

(e) Deductions for units sharing a common stack. In the case of units sharing a common stack and having emissions that are not separately monitored or apportioned in accordance with subpart H of this regulation:

(1) The NO_x authorized account representative of the units may identify the percentage of NO_x allowances to be deducted from each such unit's compliance account to cover the unit's share of NO_x emissions from the common stack for a control period. Such identification shall be made in the compliance certification report submitted in accordance with Section 96.30.

(2) Notwithstanding paragraph (b)(2)(i) of this section, the EPA will deduct NO_x allowances for each such unit until the number of NO_x allowances deducted equals the unit's identified percentage (under paragraph (e)(1) of this section) of the number of tons of NO_x emissions, as determined in accordance with subpart H of this regulation, from the common stack for the control period for which compliance is being determined or, if no percentage is identified, an equal percentage for each such unit, plus the number of allowances required for deduction to account for actual utilization under Section 96.42(e) for the control period.

(f) The EPA will record in the appropriate compliance account or overdraft account all deductions from such an account pursuant to paragraphs (b), (d), or (e) of this section.

Section 96.55 - Banking.

(a) NO_x allowances may be banked for future use or transfer in a compliance account, an overdraft account, or a general account, as follows:

(1) Any NO_x allowance that is held in a compliance account, an overdraft account, or a general account will remain in such account unless and until the NO_x allowance is deducted or transferred under Section 96.31, Section 96.54, Section 96.56, subpart G of this regulation, or subpart I of this regulation.

(2) The EPA will designate, as a "banked" NO_x allowance, any NO_x allowance that remains in a compliance account, an overdraft account, or a general account after the EPA has made all deductions for a given control period from the compliance account or overdraft account pursuant to Section 96.54 and was allocated for that control period or a control period in a prior year.

(b) Each year starting in 2004, after the EPA has completed the designation of banked NO_x allowances under paragraph (a)(2) of this section and before May 1 of the year, the EPA will determine the extent to which banked NO_x allowances may be used for compliance in the control period for the current year, as follows:

(1) The EPA will determine the total number of banked NO_x allowances held in compliance accounts, overdraft accounts, or general accounts.

(2) If the total number of banked NO_x allowances determined, under paragraph (b)(1) of this section, to be held in compliance accounts, overdraft accounts, or general accounts is less than or equal to 10% of the sum of the State trading program budgets for the control period for the States in which NO_x Budget units are located, any banked NO_x allowance may be deducted for compliance in accordance with Section 96.54.

(3) If the total number of banked NO_x allowances determined, under paragraph (b)(1) of this section, to

be held in compliance accounts, overdraft accounts, or general accounts exceeds 10% of the sum of the State trading program budgets for the control period for the States in which NO_x Budget units are located, any banked allowance may be deducted for compliance in accordance with Section 96.54, except as follows:

(i) The EPA will determine the following ratio: 0.10 multiplied by the sum of the State trading program budgets for the control period for the States in which NO_x Budget units are located and divided by the total number of banked NO_x allowances determined, under paragraph (b)(1) of this section, to be held in compliance accounts, overdraft accounts, or general accounts.

(ii) The EPA will multiply the number of banked NO_x allowances in each compliance account or overdraft account by the ratio determined using the formula specified in paragraph (b)(3)(i). The resulting product is the number of banked NO_x allowances in the account that may be deducted for compliance in accordance with Section 96.54. Any banked NO_x allowances in excess of the resulting product may be deducted for compliance in accordance with Section 96.54, except that, if such NO_x allowances are used to make a deduction, two such NO_x allowances must be deducted for each deduction of one NO_x allowance required under Section 96.54.

(c) Any NO_x Budget unit may reduce its NO_x emission rate in the 2000, 2001, 2002, or 2003, control period, the owner or operator of the unit may request early reduction credits, and the Department may allocate allowances in 2004 to the unit in accordance with the following requirements.

(1) Each NO_x Budget unit for which the owner or operator requests any early reduction credits under paragraph (c)(4) of this section shall monitor NO_x emissions in accordance with subpart H of this regulation. Each budget unit must monitor their emissions during the control period for which early reduction credits are requested and must have monitoring data for at least one control period prior to the control period for which such early reduction credits are requested. The unit's monitoring system availability shall be not less than 90 percent during any control period, and the unit must be in compliance with any applicable State or Federal emissions or emissions-related requirements.

(2) NO_x emission rate and heat input under paragraphs (c)(4) through (5) of this section shall be determined in accordance with subpart H of this regulation.

(3) NO_x allowances allocated for early reduction credits in accordance with this section may be deducted for compliance during the 2004 and 2005 control periods only.

(4) The NO_x authorized account representative of a NO_x Budget unit that meets the requirements of paragraphs (c)(1) of this section may submit to the Department a request for early reduction credits for the unit based on NO_x emission rate reductions made by the unit in the control period for 2000, 2001, 2002, or 2003.

(i) In the early reduction credit request, the NO_x authorized account representative for units under Section 96.4(a)(1) may request early reduction credits for such control period in an amount equal to the unit's heat input for such control period multiplied by the difference between the unit's state and federally approved NO_x permit limit and the unit's NO_x emission rate for such control period, divided by 2000 lb/ton, and rounded to the nearest ton. After the early reduction credits are calculated, the credits shall be discounted for units that do not reduce down to 0.25 lb/mmBtu so that for each ton of NO_x reduction achieved down to but not including 0.25 lb/mmBtu, the unit shall receive one half credit. For units that reduce their NO_x emissions beyond and including 0.25 lb/mmBtu, the credits will not be discounted and the

unit shall receive one credit for each ton of NO_x reduction.

(ii) For units under 96.4(a)(2) and for units under 96.4(a)(1) that do not have a state and federally approved NO_x permit limit, the NO_x authorized account representative may request early reduction credits for such control period in an amount equal to the unit's heat input for such control period multiplied by the difference between the unit's emission rate in the control period prior to the NO_x emission rate reduction in lb/mmBtu and the unit's NO_x emission rate for such control period, divided by 2000 lb/ton, and rounded to the nearest ton; the difference must reflect only additional reductions to prior existing requirement. After the early reduction credits are calculated, the credits shall be discounted for units that do not reduce down to 0.25 lb/mmBtu so that for each ton of NO_x reduction achieved down to but not including 0.25 lb/mmBtu, the unit shall receive one half credit. For units that reduce their NO_x emissions beyond and including 0.25 lb/mmBtu, the credits will not be discounted and the unit shall receive one credit for each ton of NO_x reduction.

(iii) For units under 96.4(a)(1) that utilize NO_x emissions averaging to demonstrate compliance with the Acid Rain Nitrogen Oxides Emission Reduction Program promulgated under 40 CFR part 76 and average those emissions based on units operating exclusively in the State of South Carolina, the early reduction credit request must be based on the total reductions from all the units participating in the emissions averaging program.

(iv) For reductions that occur during only a portion of the control period, the heat input used to determine the early reduction credits shall be based only on the period of time for which the reductions occurred.

(v) If the sum of the early reduction credit requests from paragraphs (4)(i) and (4)(ii) above, is less than the total NO_x allowances available in the State's compliance supplement pool, the Department shall adjust the discounted credits in paragraphs (4)(i) and (4)(ii) until the sum of the early reduction credit requests equals the amount of NO_x allowances available. However, at no time shall the Department allocate more than one early reduction credit for each ton of NO_x reduced.

(vi) The early reduction credit request must be submitted, in a format specified by the Department, by February 1, 2004.

(5) The Department will allocate NO_x allowances, to NO_x Budget units meeting the requirements of paragraphs (c)(1) of this section in accordance with the following procedures:

(i) Upon receipt of each early reduction credit request, the Department will accept the request only if the requirements of paragraphs (c)(1), (3), and (4) of this section are met and, if the request is accepted, will make any necessary adjustments to the request to ensure that the amount of the early reduction credits requested meets the requirement of paragraphs (c)(2) and (4) of this section.

(ii) If the State's compliance supplement pool has an amount of NO_x allowances not less than the number of early reduction credits in all accepted early reduction credit requests for 2000, 2001, 2002, and 2003 (as adjusted under paragraph (c)(5)(i) of this section) submitted by February 1, 2004, the Department will allocate to each NO_x Budget unit covered by such accepted requests one allowance for each early reduction credit requested (as adjusted under paragraph (c)(5)(i) of this section).

(iii) If the State's compliance supplement pool has a smaller amount of NO_x allowances than the number of early reduction credits in all accepted early reduction credit requests for 2000, 2001, 2002, and

2003 (as adjusted under paragraph (c)(5)(i) of this section) submitted by February 1, 2004, the Department will allocate NO_x allowances to each NO_x Budget unit covered by such accepted requests according to the following formula and rounded to the nearest whole number of NO_x allowances as appropriate:

Unit's allocated early reduction credits = [(Unit's adjusted early reduction credits)/(Total adjusted early reduction credits requested by all units)] x (Available NO_x allowances from the State's compliance supplement pool)

where:

"Unit's adjusted early reduction credits" is the number of early reduction credits for the unit for 2000, 2001, 2002, and 2003, in accepted early reduction credit requests, as adjusted under paragraph (c)(5)(i) of this section.

"Total adjusted early reduction credits requested by all units" is the number of early reduction credits for all units for 2000, 2001, 2002, and 2003, in accepted early reduction credit requests, as adjusted under paragraph (c)(5)(i) of this section.

"Available NO_x allowances from the State's compliance supplement pool" is the number of NO_x allowances in the State's compliance supplement pool and available for early reduction credits for 2000, 2001, 2002, and 2003.

(6) After the NO_x allowances have been distributed for early reduction credits, any remaining NO_x allowances in the compliance supplement pool (if any) will be distributed to sources that demonstrate a need for an extension of the May 31, 2004 compliance deadline according to the following provisions:

(i) Applications should be submitted by February 1, 2004.

(ii) The issuance process will be completed no later than May 31, 2004.

(iii) Sources that apply must demonstrate the following:

(A) For a source used to generate electricity, compliance with the State implementation plan's applicable control measures by May 31, 2004, would create undue risk for the reliability of the electricity supply. This demonstration must include a showing that it would not be feasible to import electricity from other electricity generation systems during the installation of control technologies necessary to comply with the State implementation plan revision.

(B) For a source not used to generate electricity, compliance with the State implementation plan's applicable control measures by May 31, 2004, would create undue risk for the source or its associated industry to a degree that is comparable to the risk described in paragraph (c)(6)(iii)(A) of this section.

(C) That it was not possible for the source to comply with applicable control measures by generating early reduction credits or acquiring early reduction credits from other sources.

(D) That it was not possible to comply with applicable control measures by acquiring sufficient credit from other sources or persons subject to the emissions trading program.

(iv) The State shall ensure the public an opportunity, through a public hearing process, to comment

on the appropriateness of allocating compliance supplement pool credits to a source under paragraph(c)(6) of this section.

(v) NO_x allocations (if any) that remain in the compliance supplement pool after distributions are completed for sources with qualifying early reduction credits will be distributed to sources that meet the provisions described in paragraph (c)(6) of this section in accordance with the following procedures:

(A) If the State's compliance supplement pool has an amount of NO_x allowances not less than the number of credits in all accepted credit requests for 2000, 2001, 2002 and 2003 submitted by February 1, 2004, the Department will allocate to each NO_x Budget unit covered by such accepted requests one allowance for each credit requested.

(B) If the State's compliance supplement pool has a smaller amount of NO_x allowances than the number of credits in all accepted credit requests for 2000, 2001, 2002, and 2003, submitted by February 1, 2004, the Department will allocate NO_x allowances to each NO_x Budget unit covered by such accepted requests according to the following formula and rounded to the nearest whole number of NO_x allowances as appropriate:

Unit's allocated credits = [(Unit's adjusted credits)/(Total adjusted credits requested by all units)] x (Available NO_x allowances from the State's compliance supplement pool)

where:

"Unit's adjusted credits" is the number of credits for the unit for 2000, 2001, 2002, and 2003, in accepted credit requests.

"Total adjusted credits requested by all units" is the number of credits for all units for 2000, 2001, 2002, and 2003, in accepted credit requests.

"Available NO_x allowances from the State's compliance supplement pool" is the number of NO_x allowances in the State's compliance supplement pool and available for credits for 2000, 2001, 2002, and 2003.

(7) By May 31, 2004, the Department will submit to the EPA the allocations of NO_x allowances determined under paragraph (c)(5) and (c)(6) of this section. The EPA will record such allocations to the extent that they are consistent with the requirements of paragraphs (c)(1) through (6) of this section.

(8) NO_x allowances recorded under paragraph (c)(7) of this section may be deducted for compliance under Section 96.54 for the control periods in 2004 or 2005. Notwithstanding paragraph (a) of this section, the EPA will deduct as retired any NO_x allowance that is recorded under paragraph (c)(7) of this section and is not deducted for compliance in accordance with Section 96.54 for the control period in 2004 or 2005.

(9) NO_x allowances recorded under paragraph (c)(7) of this section are treated as banked allowances in 2005 for the purposes of paragraphs (a) and (b) of this section.

Section 96.56 - Account Error.

The EPA may correct any error in any NO_x Allowance Tracking System account. Within 10 business

days of making such correction, the EPA will notify the NO_x authorized account representative for the account.

Section 96.57 - Closing of General Accounts.

(a) The NO_x authorized account representative of a general account may instruct the EPA to close the account by submitting a statement requesting deletion of the account from the NO_x Allowance Tracking System and by correctly submitting for recordation under Section 96.60 an allowance transfer of all NO_x allowances in the account to one or more other NO_x Allowance Tracking System accounts.

(b) If a general account shows no activity for a period of a year or more and does not contain any NO_x allowances, the EPA may notify the NO_x authorized account representative for the account that the account will be closed and deleted from the NO_x Allowance Tracking System following 20 business days after the notice is sent. The account will be closed after the 20-day period unless before the end of the 20-day period the EPA receives a correctly submitted transfer of NO_x allowances into the account under Section 96.60 or a statement submitted by the NO_x authorized account representative demonstrating to the satisfaction of the EPA good cause as to why the account should not be closed.

SUBPART G - NO_x ALLOWANCE TRANSFERS

Section 96.60 - Submission of NO_x Allowance Transfers.

The NO_x authorized account representatives seeking recordation of a NO_x allowance transfer shall submit the transfer to the EPA. To be considered correctly submitted, the NO_x allowance transfer shall include the following elements in a format specified by the EPA:

- (a) The numbers identifying both the transferor and transferee accounts;
- (b) A specification by serial number of each NO_x allowance to be transferred; and
- (c) The printed name and signature of the NO_x authorized account representative of the transferor account and the date signed.

Section 96.61 - EPA Recordation.

(a) Within 5 business days of receiving a NO_x allowance transfer, except as provided in paragraph (b) of this section, the EPA will record a NO_x allowance transfer by moving each NO_x allowance from the transferor account to the transferee account as specified by the request, provided that:

- (1) The transfer is correctly submitted under Section 96.60;
- (2) The transferor account includes each NO_x allowance identified by serial number in the transfer; and
- (3) The transfer meets all other requirements of this regulation.

(b) A NO_x allowance transfer that is submitted for recordation following the NO_x allowance transfer deadline and that includes any NO_x allowances allocated for a control period prior to or the same as the control period to which the NO_x allowance transfer deadline applies will not be recorded until after

completion of the process of recordation of NO_x allowance allocations in Section 96.53(b).

(c) Where a NO_x allowance transfer submitted for recordation fails to meet the requirements of paragraph (a) of this section, the EPA will not record such transfer.

Section 96.62 - Notification.

(a) Notification of recordation. Within 5 business days of recordation of a NO_x allowance transfer under Section 96.61, the EPA will notify each party to the transfer. Notice will be given to the NO_x authorized account representatives of both the transferor and transferee accounts.

(b) Notification of non-recordation. Within 10 business days of receipt of a NO_x allowance transfer that fails to meet the requirements of Section 96.61(a), the EPA will notify the NO_x authorized account representatives of both accounts subject to the transfer of:

(1) A decision not to record the transfer, and

(2) The reasons for such non-recordation.

(c) Nothing in this section shall preclude the submission of a NO_x allowance transfer for recordation following notification of non-recordation.

SUBPART H - MONITORING AND REPORTING

Section 96.70 - General Requirements.

The owners and operators, and to the extent applicable, the NO_x authorized account representative of a NO_x Budget unit, shall comply with the monitoring and reporting requirements as provided in this subpart and in subpart H of 40 CFR part 75. For purposes of complying with such requirements, the definitions in Section 96.2 and in 40 CFR part 72 section 72.2 shall apply, and the terms “affected unit,” “designated representative,” and “continuous emission monitoring system” (or “CEMS”) in 40 CFR part 75 shall be replaced by the terms “NO_x Budget unit,” “NO_x authorized account representative,” and “continuous emission monitoring system” (or “CEMS”), respectively, as defined in Section 96.2.

(a) Requirements for installation, certification, and data accounting.

The owner or operator of each NO_x Budget unit must meet the following requirements. These provisions also apply to a unit for which an application for a NO_x Budget opt-in permit is submitted and not denied or withdrawn, as provided in subpart I of this regulation:

(1) Install all monitoring systems required under this subpart for monitoring NO_x mass. This includes all systems required to monitor NO_x emission rate, NO_x concentration, heat input, and flow, in accordance with 40 CFR parts 75 sections 75.72 and 75.76.

(2) Install all monitoring systems for monitoring heat input, if required under Section 96.76 for developing NO_x allowance allocations.

(3) Successfully complete all certification tests required under Section 96.71 and meet all other

provisions of this subpart and 40 CFR part 75 applicable to the monitoring systems under paragraphs (a)(1) and (2) of this section.

(4) Record, and report data from the monitoring systems under paragraphs (a)(1) and (2) of this section.

(b) Compliance dates.

The owner or operator must meet the requirements of paragraphs (a)(1) through (a)(3) of this section on or before the following dates and must record and report data on and after the following dates:

(1) NO_x Budget units for which the owner or operator intends to apply for early reduction credits under Section 96.55(d) must comply with the requirements of this subpart by May 1, 2003 or if early reduction credits are being requested before this date than in the control period prior to the one for which the early reduction credits are requested.

(2) Except for NO_x Budget units under paragraph (b) (1) of this section, NO_x Budget units under Section 96.4 that commence operation before January 1, 2002, must comply with the requirements of this subpart by May 1, 2003.

(3) NO_x Budget units under Section 96.4 that commence operation on or after January 1, 2002 and that report on an annual basis under Section 96.74(d) must comply with the requirements of this subpart by the later of the following dates:

(i) May 1, 2003; or

(ii) the earlier of:

(A) 180 days after the date on which the unit commences operation or,

(B) For units under Section 96.4(a)(1), 90 days after the date on which the unit commences commercial operation.

(4) NO_x Budget units under Section 96.4 that commence operation on or after January 1, 2003 and that report on a control season basis under Section 96.74(d) must comply with the requirements of this subpart by the later of the following dates:

(i) the earlier of:

(A) 180 days after the date on which the unit commences operation or,

(B) for units under Section 96.4(a)(1), 90 days after the date on which the unit commences commercial operation.

(ii) However, if the applicable deadline under paragraph (b)(4)(i) section does not occur during a control period, then the unit must comply by May 1, of the year immediately following the date determined in accordance with paragraph (b)(4)(i) of this section.

(5) For a NO_x Budget unit with a new stack or flue for which construction is completed after the applicable deadline under paragraph (b)(1), (b)(2) or (b)(3) of this section or subpart I of this regulation:

(i) 90 days after the date on which emissions first exit to the atmosphere through the new stack or flue

(ii) However, if the unit reports on a control season basis under Section 96.74(d) and the applicable deadline under paragraph (b)(5)(i) of this section does not occur during the control period, then the unit must comply by May 1, of the year immediately following the applicable deadline in paragraph (b)(5)(i) of this section.

(6) For a unit for which an application for a NO_x Budget opt in permit is submitted and not denied or withdrawn, the compliance dates specified under subpart I of this regulation.

(c) Reporting data prior to initial certification.

(1) The owner or operator of a NO_x Budget unit that misses the certification deadline under paragraph (b)(1) of this section is not eligible to apply for early reduction credits. The owner or operator of the unit becomes subject to the certification deadline under paragraph (b)(2) of this section.

(2) The owner or operator of a NO_x Budget under paragraphs (b)(3) or (b)(4) of this section must determine, record and report NO_x mass, heat input (if required for purposes of allocations) and any other values required to determine NO_x Mass (e.g. NO_x emission rate and heat input or NO_x concentration and stack flow) using the provisions of Section 75.70(g) of 40 CFR part 75, from the date and hour that the unit starts operating until the date and hour on which the continuous emission monitoring system, excepted monitoring system under appendix D or E of 40 CFR part 75, or excepted monitoring methodology under Section 75.19 of 40 CFR part 75 is provisionally certified.

(d) Prohibitions.

(1) No owner or operator of a NO_x Budget unit or a non- NO_x Budget unit monitored under Section 75.72(b)(2)(ii) of 40 CFR part 75 shall use any alternative monitoring system, alternative reference method, or any other alternative for the required continuous emission monitoring system without having obtained prior written approval in accordance with Section 96.75.

(2) No owner or operator of a NO_x Budget unit or a non- NO_x Budget unit monitored under Section 75.72(b)(2)(ii) of 40 CFR part 75 shall operate the unit so as to discharge, or allow to be discharged, NO_x emissions to the atmosphere without accounting for all such emissions in accordance with the applicable provisions of this subpart and 40 CFR part 75 except as provided for in Section 75.74.

(3) No owner or operator of a NO_x Budget unit or a non- NO_x Budget unit monitored under Section 75.72(b)(2)(ii) of 40 CFR part 75 shall disrupt the continuous emission monitoring system, any portion thereof, or any other approved emission monitoring method, and thereby avoid monitoring and recording NO_x mass emissions discharged into the atmosphere, except for periods of recertification or periods when calibration, quality assurance testing, or maintenance is performed in accordance with the applicable provisions of this subpart and 40 CFR part 75 except as provided for in Section 75.74.

(4) No owner or operator of a NO_x Budget units or a non- NO_x Budget unit monitored under Section 75.72(b)(2)(ii) of 40 CFR part 75 shall retire or permanently discontinue use of the continuous emission monitoring system, any component thereof, or any other approved emission monitoring system under this subpart, except under any one of the following circumstances:

(i) During the period that the unit is covered by a retired unit exemption under Section 96.5 that is in effect;

(ii) The owner or operator is monitoring emissions from the unit with another certified monitoring system approved, in accordance with the applicable provisions of this subpart and 40 CFR part 75, by the Department for use at that unit that provides emission data for the same pollutant or parameter as the retired or discontinued monitoring system; or

(iii) The NO_x authorized account representative submits notification of the date of certification testing of a replacement monitoring system in accordance with Section 96.71(b)(2).

Section 96.71 - Initial Certification And Recertification Procedures.

(a) The owner or operator of a NO_x Budget unit that is subject to an Acid Rain emissions limitation shall comply with the initial certification and recertification procedures of 40 CFR part 75, except that:

(1) If, prior to January 1, 1998, the EPA approved a petition under Section 75.17(a) or (b) of 40 CFR part 75 for apportioning the NO_x emission rate measured in a common stack or a petition under Section 75.66 of 40 CFR part 75 for an alternative to a requirement in Section 75.17 of 40 CFR part 75, the NO_x authorized account representative shall resubmit the petition to the EPA under Section 96.75(a) to determine if the approval applies under the NO_x Budget Trading Program.

(2) For any additional CEMS required under the common stack provisions in Section 75.72 of 40 CFR part 75, or for any NO_x concentration CEMS used under the provisions of Section 75.71(a)(2) of 40 CFR part 75, the owner or operator shall meet the requirements of paragraph (b) of this section.

(b) The owner or operator of a NO_x Budget unit that is not subject to an Acid Rain emissions limitation shall comply with the following initial certification and recertification procedures, except that the owner or operator of a unit that qualifies to use the low mass emissions excepted monitoring methodology under Section 75.19 of 40 CFR part 75 shall also meet the requirements of paragraph (c) of this section and the owner or operator of a unit that qualifies to use an alternative monitoring system under subpart E of 40 CFR part 75 shall also meet the requirements of paragraph (d) of this section. The owner or operator of a NO_x Budget unit that is subject to an Acid Rain emissions limitation, but requires additional CEMS under the common stack provisions in Section 75.72 of 40 CFR part 75, or that uses a NO_x concentration CEMS under Section 75.71(a)(2) of 40 CFR part 75 also shall comply with the following initial certification and recertification procedures.

(1) Requirements for initial certification.

The owner or operator shall ensure that each monitoring system required by subpart H of 40 CFR part 75-(which includes the automated data acquisition and handling system) successfully completes all of the initial certification testing required under Section 75.20 of 40 CFR part 75. The owner or operator shall ensure that all applicable certification tests are successfully completed by the deadlines specified in Section 96.70(b). In addition, whenever the owner or operator installs a monitoring system in order to meet the requirements of this regulation in a location where no such monitoring system was previously installed, initial certification according to Section 75.20 of 40 CFR part 75 is required.

(2) Requirements for recertification.

Whenever the owner or operator makes a replacement, modification, or change in a certified monitoring system that may significantly affect the ability of the system to accurately measure or record NO_x mass emissions or heat input or to meet the requirements of Section 75.21 or appendix B to 40 CFR part 75, the owner or operator shall recertify the monitoring system according to Section 75.20(b) of 40 CFR part 75. Furthermore, whenever the owner or operator makes a replacement, modification, or change to the flue gas handling system or the unit's operation that may significantly change the flow or concentration profile, the owner or operator shall recertify the continuous emissions monitoring system according to Section 75.20(b) of 40 CFR part 75. Examples of changes which require recertification include: replacement of the analyzer, complete replacement of an existing continuous emission monitoring system, or change in location or orientation of the sampling probe or site.

(3) Certification approval process for initial certifications and recertification.

(i) Notification of certification. The NO_x authorized account representative shall submit to the Department and to the appropriate EPA Regional Office a written notice of the dates of certification in accordance with Section 96.73.

(ii) Certification application. The NO_x authorized account representative shall submit to the Department a certification application for each monitoring system required under subpart H of 40 CFR part 75. A complete certification application shall include the information specified in subpart H of 40 CFR part 75.

(iii) Except for units using the low mass emission excepted methodology under Section 75.19 of 40 CFR part 75, the provisional certification date for a monitor shall be determined using the procedures set forth in Section 75.20(a)(3) of 40 CFR part 75. A provisionally certified monitor may be used under the NO_x Budget Trading Program for a period not to exceed 120 days after receipt by the Department of the complete certification application for the monitoring system or component thereof under paragraph (b)(3)(ii) of this section. Data measured and recorded by the provisionally certified monitoring system or component thereof, in accordance with the requirements of 40 CFR part 75, will be considered valid quality-assured data (retroactive to the date and time of provisional certification), provided that the Department does not invalidate the provisional certification by issuing a notice of disapproval within 120 days of receipt of the complete certification application by the Department.

(iv) Certification application formal approval process. The Department will issue a written notice of approval or disapproval of the certification application to the owner or operator within 120 days of receipt of the complete certification application under paragraph (b)(3)(ii) of this section. In the event the Department does not issue such a notice within such 120-day period, each monitoring system which meets the applicable performance requirements of 40 CFR part 75 and is included in the certification application will be deemed certified for use under the NO_x Budget Trading Program.

(A) Approval notice. If the certification application is complete and shows that each monitoring system meets the applicable performance requirements of 40 CFR part 75, then the Department will issue a written notice of approval of the certification application within 120 days of receipt.

(B) Incomplete application notice. A certification application will be considered complete when all of the applicable information required to be submitted under paragraph (b)(3)(ii) of this section has been received by the Department. If the certification application is not complete, then the Department will issue a written notice of incompleteness that sets a reasonable date by which the NO_x authorized account

representative must submit the additional information required to complete the certification application. If the NO_x authorized account representative does not comply with the notice of incompleteness by the specified date, then the Department may issue a notice of disapproval under paragraph (b)(3)(iv)(C) of this section.

(C) Disapproval notice. If the certification application shows that any monitoring system or component thereof does not meet the performance requirements of this regulation, or if the certification application is incomplete and the requirement for disapproval under paragraph (b)(3)(iv)(B) of this section has been met, the Department will issue a written notice of disapproval of the certification application. Upon issuance of such notice of disapproval, the provisional certification is invalidated by the Department and the data measured and recorded by each uncertified monitoring system or component thereof shall not be considered valid quality-assured data beginning with the date and hour of provisional certification. The owner or operator shall follow the procedures for loss of certification in paragraph (b)(3)(v) of this section for each monitoring system or component thereof which is disapproved for initial certification.

(D) Audit decertification. The Department may issue a notice of disapproval of the certification status of a monitor in accordance with Section 96.72(b).

(v) Procedures for loss of certification. If the Department issues a notice of disapproval of a certification application under paragraph (b)(3)(iv)(C) of this section or a notice of disapproval of certification status under paragraph (b)(3)(iv)(D) of this section, then:

(A) The owner or operator shall substitute the following values, for each hour of unit operation during the period of invalid data specified under Section 75.20 (a)(4)(iii), Section 75.20(b)(5), Section 75.20(h)(4), or Section 75.21(e) and continuing until the date and hour specified under Section 75.20(a)(5)(i) of 40 CFR part 75:

(1) For units using or intending to monitor for NO_x emission rate and heat input or for units using the low mass emission excepted methodology under Section 75.19 of 40 CFR part 75, the maximum potential NO_x emission rate and the maximum potential hourly heat input of the unit.

(2) For units intending to monitor for NO_x mass emissions using a NO_x pollutant concentration monitor and a flow monitor, the maximum potential concentration of NO_x and the maximum potential flow rate of the unit under Section 2.1 of appendix A of 40 CFR part 75;

(B) The NO_x authorized account representative shall submit a notification of certification retest dates and a new certification application in accordance with paragraphs (b)(3)(i) and (ii) of this section; and

(C) The owner or operator shall repeat all certification tests or other requirements that were failed by the monitoring system, as indicated in the Department's notice of disapproval, no later than 30 unit operating days after the date of issuance of the notice of disapproval.

(c) Initial certification and recertification procedures for low mass emission units using the excepted methodologies under Section 75.19 of 40 CFR Part 75. The owner or operator of a gas-fired or oil-fired unit using the low mass emissions excepted methodology under Section 75.19 of 40 CFR part 75 and not subject to an Acid Rain emissions limitation shall meet the applicable general operating requirements of Section 75.10 of 40 CFR part 75 and the applicable requirements of Section 75.19 of 40 CFR part 75. The owner or operator of such a unit shall also meet the applicable certification and recertification procedures

of paragraph (b) of this section, except that the excepted methodology shall be deemed provisionally certified for use under the NO_x Budget Trading Program as of the following dates:

(1) For a unit that does not have monitoring equipment initially certified or recertified for the NO_x Budget Trading Program as of the date on which the NO_x authorized account representative submits the certification application under Section 75.19 of 40 CFR part 75 for the unit, starting on the date of such submission until the completion of the period for the Department's review.

(2) For a unit that has monitoring equipment initially certified or recertified for the NO_x Budget Trading Program as of the date on which the NO_x authorized account representative submits the certification application under Section 75.19 of 40 CFR part 75 for the unit and that reports data on an annual basis under Section 96.74(d), starting January 1 of the year after the year of such submission until the completion of the period for the Department's review.

(3) For a unit that has monitoring equipment initially certified or recertified for the NO_x Budget Trading Program as of the date on which the NO_x Authorized Account Representative submits the certification application under Section 75.19 of 40 CFR part 75 for the unit and that reports on a control season basis under Section 96.74(d), starting May 1 of the control period after the year of such submission until the completion of the period for the Department's review.

(d) Certification/recertification procedures for alternative monitoring systems. The NO_x authorized account representative representing the owner or operator of each unit applying to monitor using an alternative monitoring system approved by the EPA and, if applicable, the Department under subpart E of 40 CFR part 75 shall apply for certification to the Department prior to use of the system under the NO_x Trading Program. The NO_x authorized account representative shall apply for recertification following a replacement, modification or change according to the procedures in paragraph (b) of this section. The owner or operator of an alternative monitoring system shall comply with the notification and application requirements for certification according to the procedures specified in paragraph (b)(3) of this section and Section 75.20(f) of 40 CFR part 75.

Section 96.72 - Out of Control Periods.

(a) Whenever any monitoring system fails to meet the quality assurance requirements of appendix B of 40 CFR part 75, data shall be substituted using the applicable procedures in subpart D, appendix D, or appendix E of 40 CFR part 75.

(b) Audit decertification. Whenever both an audit of a monitoring system and a review of the initial certification or recertification application reveal that any system or component should not have been certified or recertified because it did not meet a particular performance specification or other requirement under Section 96.71 or the applicable provisions of 40 CFR part 75, both at the time of the initial certification or recertification application submission and at the time of the audit, the Department will issue a notice of disapproval of the certification status of such system or component. For the purposes of this paragraph, an audit shall be either a field audit or an audit of any information submitted to the Department or the EPA. By issuing the notice of disapproval, the Department revokes prospectively the certification status of the system or component. The data measured and recorded by the system or component shall not be considered valid quality-assured data from the date of issuance of the notification of the revoked certification status until the date and time that the owner or operator completes subsequently approved initial certification or recertification tests. The owner or operator shall follow the initial certification or recertification procedures in Section 96.71 for each disapproved system.

Section 96.73 - Notifications.

The NO_x authorized account representative for a NO_x Budget unit shall submit written notice to the Department and the EPA in accordance with Section 75.61 of 40 CFR part 75, except that if the unit is not subject to an Acid Rain emissions limitation, the notification is only required to be sent to the Department.

Section 96.74 - Recordkeeping and Reporting.

(a) General provisions.

(1) The NO_x authorized account representative shall comply with all recordkeeping and reporting requirements in this section and with the requirements of Section 96.10(e).

(2) If the NO_x authorized account representative for a NO_x Budget unit subject to an Acid Rain Emission limitation who signed and certified any submission that is made under subpart F or G of 40 CFR part 75 and which includes data and information required under this subpart or subpart H of 40 CFR part 75 is not the same person as the designated representative or the alternative designated representative for the unit under 40 CFR part 72, the submission must also be signed by the designated representative or the alternative designated representative.

(b) Monitoring Plans.

(1) The owner or operator of a unit subject to an Acid Rain emissions limitation shall comply with requirements of Section 75.62 of 40 CFR part 75, except that the monitoring plan shall also include all of the information required by subpart H of 40 CFR part 75.

(2) The owner or operator of a unit that is not subject to an Acid Rain emissions limitation shall comply with requirements of Section 75.62 of 40 CFR part 75, except that the monitoring plan is only required to include the information required by subpart H of 40 CFR part 75.

(c) Certification Applications. The NO_x authorized account representative shall submit an application to the Department within 45 days after completing all initial certification or recertification tests required under Section 96.71 including the information required under subpart H of 40 CFR part 75.

(d) Quarterly reports. The NO_x authorized account representative shall submit quarterly reports, as follows:

(1) If a unit is subject to an Acid Rain emission limitation or if the owner or operator of the NO_x budget unit chooses to meet the annual reporting requirements of this subpart H, the NO_x authorized account representative shall submit a quarterly report for each calendar quarter beginning with:

(i) For units that elect to comply with the early reduction credit provisions under Section 96.55 of this regulation, the calendar quarter that includes the date of initial provisional certification under Section 96.71(b)(3)(iii). Data shall be reported from the date and hour corresponding to the date and hour of provisional certification ; or

(ii) For units commencing operation prior to May 1, 2003 that are not required to certify monitors by May 1, 2003 under Section 96.70(b)(1), the earlier of the calendar quarter that includes the date of initial

provisional certification under Section 96.71(b)(3)(iii) or Section 96.71(c) or, if the certification tests are not completed by May 1, 2003, the partial calendar quarter from May 1, 2003 through June 30, 2003. Data shall be recorded and reported from the earlier of the date and hour corresponding to the date and hour of provisional certification or the first hour on May 1, 2003; or

(iii) For a unit that commences operation after May 1, 2003, the calendar quarter in which the unit commences operation. Data shall be reported from the date and hour corresponding to when the unit commenced operation.

(2) If a NO_x budget unit is not subject to an Acid Rain emission limitation, then the NO_x authorized account representative shall either:

(i) Meet all of the requirements of 40 CFR part 75 related to monitoring and reporting NO_x mass emissions during the entire year and meet the reporting deadlines specified in paragraph (d)(1) of this section; or

(ii) submit quarterly reports only for the periods from the earlier of May 1 or the date and hour that the owner or operator successfully completes all of the recertification tests required under Section 75.74(d)(3) through September 30 of each year in accordance with the provisions of Section 75.74(c)(6) of 40 CFR part 75. The NO_x authorized account representative shall submit a quarterly report for each calendar quarter, beginning with:

(A) For units that elect to comply with the early reduction credit provisions under Section 96.55, the calendar quarter that includes the date of initial provisional certification under Section 96.71(b)(3)(iii) or 96.71(c). Data shall be reported from the date and hour corresponding to the date and hour of provisional certification; or

(B) For units commencing operation prior to May 1, 2003 that are not required to certify monitors by May 1, 2003 under Section 96.70(b)(1), the earlier of the calendar quarter that includes the date of initial provisional certification under Section 96.71(b)(3)(iii), or if the certification tests are not completed by May 1, 2003, the partial calendar quarter from May 1, 2003 through June 30, 2003. Data shall be reported from the earlier of the date and hour corresponding to the date and hour of provisional certification or the first hour of May 1, 2003; or

(C) For units that commence operation after May 1, 2003 during the control period, the calendar quarter in which the unit commences operation. Data shall be reported from the date and hour corresponding to when the unit commenced operation; or

(D) For units that commence operation after May 1, 2003 and before May 1 of the year in which the unit commences operation, the earlier of the calendar quarter that includes the date of initial provisional certification under Section 96.71(b)(3)(iii) or, if the certification tests are not completed by May 1 of the year in which the unit commences operation, May 1 of the year in which the unit commences operation. Data shall be reported from the earlier of the date and hour corresponding to the date and hour of provisional certification or the first hour of May 1 of the year after the unit commences operation.

(E) For units that commence operation after May 1, 2003 and after September 30 of the year in which the unit commences operation, the earlier of the calendar quarter that includes the date of initial provisional certification under Section 96.71(b)(3)(iii) or, if the certification tests are not completed by May 1 of the year after the unit commences operation, May 1 of the year after the unit commences

operation. Data shall be reported from the earlier of the date and hour corresponding to the date and hour of provisional certification or the first hour of May 1 of the year after the unit commences operation.

(3) The NO_x authorized account representative shall submit each quarterly report to the EPA within 30 days following the end of the calendar quarter covered by the report. Quarterly reports shall be submitted in the manner specified in subpart H of 40 CFR part 75 and Section 75.64 of 40 CFR part 75.

(i) For units subject to an Acid Rain Emissions limitation, quarterly reports shall include all of the data and information required in subpart H of 40 CFR part 75 for each NO_x Budget unit (or group of units using a common stack) as well as information required in subpart G of 40 CFR part 75.

(ii) For units not subject to an Acid Rain Emissions limitation, quarterly reports are only required to include all of the data and information required in subpart H of 40 CFR part 75 for each NO_x Budget unit (or group of units using a common stack).

(4) Compliance certification. The NO_x authorized account representative shall submit to the EPA a compliance certification in support of each quarterly report based on reasonable inquiry of those persons with primary responsibility for ensuring that all of the unit's emissions are correctly and fully monitored. The certification shall state that:

(i) The monitoring data submitted were recorded in accordance with the applicable requirements of this subpart and 40 CFR part 75, including the quality assurance procedures and specifications; and

(ii) For a unit with add-on NO_x emission controls and for all hours where data are substituted in accordance with Section 75.34(a)(1) of 40 CFR part 75, the add-on emission controls were operating within the range of parameters listed in the monitoring plan and the substitute values do not systematically underestimate NO_x emissions; and

(iii) For a unit that is reporting on a control period basis under Section 96.74(d) the NO_x emission rate and NO_x concentration values substituted for missing data under subpart D of 40 CFR part 75 are calculated using only values from a control period and do not systematically underestimate NO_x emissions.

Section 96.75 - Petitions.

(a) The NO_x authorized account representative of a NO_x Budget unit that is subject to an Acid Rain emissions limitation may submit a petition under Section 75.66 of 40 CFR part 75 to the EPA requesting approval to apply an alternative to any requirement of this subpart.

(1) Application of an alternative to any requirement of this subpart is in accordance with this subpart only to the extent that the petition is approved by the EPA, in consultation with the Department.

(2) Notwithstanding paragraph (a)(1) of this section, if the petition requests approval to apply an alternative to a requirement concerning any additional CEMS required under the common stack provisions of Section 75.72 of 40 CFR part 75, the petition is governed by paragraph (b) of this section.

(b) The NO_x authorized account representative of a NO_x Budget unit that is not subject to an Acid Rain emissions limitation may submit a petition under Section 75.66 of 40 CFR part 75 to the Department and the EPA requesting approval to apply an alternative to any requirement of this subpart.

(1) The NO_x authorized account representative of a NO_x Budget unit that is subject to an Acid Rain emissions limitation may submit a petition under Section 75.66 of 40 CFR part 75 to the Department and the EPA requesting approval to apply an alternative to a requirement concerning any additional CEMS required under the common stack provisions of Section 75.72 of 40 CFR part 75 or a NO_x concentration CEMS used under 75.71(a)(2) of 40 CFR part 75.

(2) Application of an alternative to any requirement of this subpart is in accordance with this subpart only to the extent the petition under paragraph (b) of this section is approved by both the Department and the EPA.

Section 96.76 - Additional Requirements to Provide Heat Input Data.

(a) The owner or operator of a unit that elects to monitor and report NO_x Mass emissions using a NO_x concentration system and a flow system shall also monitor and report heat input at the unit level using the procedures set forth in 40 CFR part 75 for any source located in a state developing source allocations based upon heat input.

(b) The owner or operator of a unit that monitor and report NO_x Mass emissions using a NO_x concentration system and a flow system shall also monitor and report heat input at the unit level using the procedures set forth in 40 CFR part 75 for any source that is applying for early reduction credits under Section 96.55.

SUBPART I - INDIVIDUAL OPT-INS

Section 96.80 - Applicability.

A unit that is in the State, is not a NO_x Budget unit under Section 96.4, vents all of its emissions to a stack, and is operating, may qualify, under this subpart, to become a NO_x Budget opt-in source. A unit that is a NO_x Budget unit, is covered by a retired unit exemption under Section 96.5 that is in effect, or is not operating is not eligible to become a NO_x Budget opt-in source.

Section 96.81 - General.

Except otherwise as provided in this regulation, a NO_x Budget opt-in source shall be treated as a NO_x Budget unit for purposes of applying subparts A through H of this regulation.

Section 96.82 - NO_x Authorized Account Representative.

A unit for which an application for a NO_x Budget opt-in permit is submitted and not denied or withdrawn, or a NO_x Budget opt-in source, located at the same source as one or more NO_x Budget units, shall have the same NO_x authorized account representative as such NO_x Budget units.

Section 96.83 - Applying for NO_x Budget Opt-In Permit.

(a) Applying for initial NO_x Budget opt-in permit. In order to apply for an initial NO_x Budget opt-in permit, the NO_x authorized account representative of a unit qualified under Section 96.80 may submit to the Department at any time, except as provided under Section 96.86(g):

(1) A complete NO_x Budget permit application under Section 96.22;

(2) A monitoring plan submitted in accordance with subpart H of this regulation; and

(3) A complete account certificate of representation under Section 96.13, if no NO_x authorized account representative has been previously designated for the unit.

(b) Duty to reapply. The NO_x authorized account representative of a NO_x Budget opt-in source shall submit a complete NO_x Budget permit application under Section 96.22 to renew the NO_x Budget opt-in permit in accordance with Section 96.21(c) and, if applicable, an updated monitoring plan in accordance with subpart H of this regulation.

Section 96.84 - Opt-In Process.

The Department will issue or deny a NO_x Budget opt-in permit for a unit for which an initial application for a NO_x Budget opt-in permit under Section 96.83 is submitted, in accordance with Section 96.20 and the following:

(a) Interim review of monitoring plan. The Department will determine, on an interim basis, the sufficiency of the monitoring plan accompanying the initial application for a NO_x Budget opt-in permit under Section 96.83. A monitoring plan is sufficient, for purposes of interim review, if the plan appears to contain information demonstrating that the NO_x emissions rate and heat input of the unit are monitored and reported in accordance with subpart H of this regulation. A determination of sufficiency shall not be construed as acceptance or approval of the unit's monitoring plan.

(b) If the Department determines that the unit's monitoring plan is sufficient under paragraph (a) of this section and after completion of monitoring system certification under subpart H of this regulation, the NO_x emissions rate and the heat input of the unit shall be monitored and reported in accordance with subpart H of this regulation for one full control period during which monitoring system availability is not less than 90 percent and during which the unit is in full compliance with any applicable State or Federal emissions or emissions-related requirements. Solely for purposes of applying the requirements in the prior sentence, the unit shall be treated as a "NO_x Budget unit" prior to issuance of a NO_x Budget opt-in permit covering the unit.

(c) Based on the information monitored and reported under paragraph (b) of this section, the unit's baseline heat rate shall be calculated as the unit's total heat input (in mmBtu) for the control period and the unit's baseline NO_x emissions rate shall be calculated as the unit's total NO_x mass emissions (in lb) for the control period divided by the unit's baseline heat rate.

(d) After calculating the baseline heat input and the baseline NO_x emissions rate for the unit under paragraph (c) of this section, the Department will serve a draft NO_x Budget opt-in permit on the NO_x authorized account representative of the unit.

(e) Confirmation of intention to opt-in. Within 20 days after the issuance of the draft NO_x Budget opt-in permit, the NO_x authorized account representative of the unit must submit to the Department a confirmation of the intention to opt in the unit or a withdrawal of the application for a NO_x Budget opt-in permit under Section 96.83. The Department will treat the failure to make a timely submission as a withdrawal of the NO_x Budget opt-in permit application.

(f) Issuance of draft NO_x Budget opt-in permit. If the NO_x authorized account representative confirms the intention to opt in the unit under paragraph (e) of this section, the Department will issue the draft NO_x Budget opt-in permit in accordance with Section 96.20.

(g) Notwithstanding paragraphs (a) through (f) of this section, if at any time before issuance of a draft NO_x Budget opt-in permit for the unit, the Department determines that the unit does not qualify as a NO_x Budget opt-in source under Section 96.80, the Department will issue a draft denial of a NO_x Budget opt-in permit for the unit in accordance with Section 96.20.

(h) Withdrawal of application for NO_x Budget opt-in permit. A NO_x authorized account representative of a unit may withdraw its application for a NO_x Budget opt-in permit under Section 96.83 at any time prior to the issuance of the final NO_x Budget opt-in permit. Once the application for a NO_x Budget opt-in permit is withdrawn, a NO_x authorized account representative wanting to reapply must submit a new application for a NO_x Budget permit under Section 96.83.

(i) Effective date. The effective date of the initial NO_x Budget opt-in permit shall be May 1 of the first control period starting after the issuance of the initial NO_x Budget opt-in permit by the Department. The unit shall be a NO_x Budget opt-in source and a NO_x Budget unit as of the effective date of the initial NO_x Budget opt-in permit.

Section 96.85 - NO_x Budget Opt-In Permit Contents.

(a) Each NO_x Budget opt-in permit (including any draft or proposed NO_x Budget opt-in permit, if applicable) will contain all elements required for a complete NO_x Budget opt-in permit application under Section 96.22 as approved or adjusted by the Department.

(b) Each NO_x Budget opt-in permit is deemed to incorporate automatically the definitions of terms under Section 96.2 and, upon recordation by the EPA under subpart F, G, or I of this regulation, every allocation, transfer, or deduction of NO_x allowances to or from the compliance accounts of each NO_x Budget opt-in source covered by the NO_x Budget opt-in permit or the overdraft account of the NO_x Budget source where the NO_x Budget opt-in source is located.

Section 96.86 - Withdrawal From NO_x Budget Trading Program.

(a) Requesting withdrawal. To withdraw from the NO_x Budget Trading Program, the NO_x authorized account representative of a NO_x Budget opt-in source shall submit to the Department a request to withdraw effective as of a specified date prior to May 1 or after September 30. The submission shall be made no later than 90 days prior to the requested effective date of withdrawal.

(b) Conditions for withdrawal. Before a NO_x Budget opt-in source covered by a request under paragraph (a) of this section may withdraw from the NO_x Budget Trading Program and the NO_x Budget opt-in permit may be terminated under paragraph (e) of this section, the following conditions must be met:

(1) For the control period immediately before the withdrawal is to be effective, the NO_x authorized account representative must submit or must have submitted to the Department an annual compliance certification report in accordance with Section 96.30.

(2) If the NO_x Budget opt-in source has excess emissions for the control period immediately before the withdrawal is to be effective, the EPA will deduct or has deducted from the NO_x Budget opt-in source's

compliance account, or the overdraft account of the NO_x Budget source where the NO_x Budget opt-in source is located, the full amount required under Section 96.54(d) for the control period.

(3) After the requirements for withdrawal under paragraphs (b)(1) and (2) of this section are met, the EPA will deduct from the NO_x Budget opt-in source's compliance account, or the overdraft account of the NO_x Budget source where the NO_x Budget opt-in source is located, NO_x allowances equal in number to and allocated for the same or a prior control period as any NO_x allowances allocated to that source under Section 96.88 for any control period for which the withdrawal is to be effective. The EPA will close the NO_x Budget opt-in source's compliance account and will establish, and transfer any remaining allowances to, a new general account for the owners and operators of the NO_x Budget opt-in source. The NO_x authorized account representative for the NO_x Budget opt-in source shall become the NO_x authorized account representative for the general account.

(c) A NO_x Budget opt-in source that withdraws from the NO_x Budget Trading Program shall comply with all requirements under the NO_x Budget Trading Program concerning all years for which such NO_x Budget opt-in source was a NO_x Budget opt-in source, even if such requirements arise or must be complied with after the withdrawal takes effect.

(d) Notification.

(1) After the requirements for withdrawal under paragraphs (a) and (b) of this section are met (including deduction of the full amount of NO_x allowances required), the Department will issue a notification to the NO_x authorized account representative of the NO_x Budget opt-in source of the acceptance of the withdrawal of the NO_x Budget opt-in source as of a specified effective date that is after such requirements have been met and that is prior to May 1 or after September 30.

(2) If the requirements for withdrawal under paragraphs (a) and (b) of this section are not met, the Department will issue a notification to the NO_x authorized account representative of the NO_x Budget opt-in source that the NO_x Budget opt-in source's request to withdraw is denied. If the NO_x Budget opt-in source's request to withdraw is denied, the Budget opt-in source shall remain subject to the requirements for a NO_x Budget opt-in source.

(e) Permit amendment. After the Department issues a notification under paragraph (d)(1) of this section that the requirements for withdrawal have been met, the Department will revise the NO_x Budget permit covering the NO_x Budget opt-in source to terminate the NO_x Budget opt-in permit as of the effective date specified under paragraph (d)(1) of this section. A NO_x Budget opt-in source shall continue to be a NO_x Budget opt-in source until the effective date of the termination.

(f) Reapplication upon failure to meet conditions of withdrawal. If the Department denies the NO_x Budget opt-in source's request to withdraw, the NO_x authorized account representative may submit another request to withdraw in accordance with paragraphs (a) and (b) of this section.

(g) Ability to return to the NO_x Budget Trading Program. Once a NO_x Budget opt-in source withdraws from the NO_x Budget Trading Program and its NO_x Budget opt-in permit is terminated under this section, the NO_x authority account representative may not submit another application for a NO_x Budget opt-in permit under Section 96.83 for the unit prior to the date that is 4 years after the date on which the terminated NO_x Budget opt-in permit became effective.

Section 96.87 - Change in Regulatory Status.

(a) Notification. When a NO_x Budget opt-in source becomes a NO_x Budget unit under Section 96.4, the NO_x authorized account representative shall notify in writing the Department and the EPA of such change in the NO_x Budget opt-in source's regulatory status, within 30 days of such change.

(b) Department's and EPA's action.

(1)(i) When the NO_x Budget opt-in source becomes a NO_x Budget unit under Section 96.4, the Department will revise the NO_x Budget opt-in source's NO_x Budget opt-in permit to meet the requirements of a NO_x Budget permit under Section 96.23 as of an effective date that is the date on which such NO_x Budget opt-in source becomes a NO_x Budget unit under Section 96.4.

(ii)(A) The EPA will deduct from the compliance account for the NO_x Budget unit under paragraph (b)(1)(i) of this section, or the overdraft account of the NO_x Budget source where the unit is located, NO_x allowances equal in number to and allocated for the same or a prior control period as:

(1) Any NO_x allowances allocated to the NO_x Budget unit (as a NO_x Budget opt-in source) under Section 96.88 for any control period after the last control period during which the unit's NO_x Budget opt-in permit was effective; and

(2) If the effective date of the NO_x Budget permit revision under paragraph (b)(1)(i) of this section is during a control period, the NO_x allowances allocated to the NO_x Budget unit (as a NO_x Budget opt-in source) under Section 96.88 for the control period multiplied by the ratio of the number of days, in the control period, starting with the effective date of the permit revision under paragraph (b)(1)(i) of this section, divided by the total number of days in the control period.

(B) The NO_x authorized account representative shall ensure that the compliance account of the NO_x Budget unit under paragraph (b)(1)(i) of this section, or the overdraft account of the NO_x Budget source where the unit is located, includes the NO_x allowances necessary for completion of the deduction under paragraph (b)(1)(ii)(A) of this section. If the compliance account or overdraft account does not contain sufficient NO_x allowances, the EPA will deduct the required number of NO_x allowances, regardless of the control period for which they were allocated, whenever NO_x allowances are recorded in either account.

(iii)(A) For every control period during which the NO_x Budget permit revised under paragraph (b)(1)(i) of this section is effective, the NO_x Budget unit under paragraph (b)(1)(i) of this section will be treated, solely for purposes of NO_x allowance allocations under Section 96.42, as a unit that commenced operation on the effective date of the NO_x Budget permit revision under paragraph (b)(1)(i) of this section and will be allocated NO_x allowances under Section 96.42.

(B) Notwithstanding paragraph (b)(1)(iii)(A) of this section, if the effective date of the NO_x Budget permit revision under paragraph (b)(1)(i) of this section is during a control period, the following number of NO_x allowances will be allocated to the NO_x Budget unit under paragraph (b)(1)(i) of this section under Section 96.42 for the control period: the number of NO_x allowances otherwise allocated to the NO_x Budget unit under Section 96.42 for the control period multiplied by the ratio of the number of days, in the control period, starting with the effective date of the permit revision under paragraph (b)(1)(i) of this section, divided by the total number of days in the control period.

(2)(i) When the NO_x authorized account representative of a NO_x Budget opt-in source does not renew

its NO_x Budget opt-in permit under Section 96.83(b), the EPA will deduct from the NO_x Budget opt-in unit's compliance account, or the overdraft account of the NO_x Budget source where the NO_x Budget opt-in source is located, NO_x allowances equal in number to and allocated for the same or a prior control period as any NO_x allowances allocated to the NO_x Budget opt-in source under Section 96.88 for any control period after the last control period for which the NO_x Budget opt-in permit is effective. The NO_x authorized account representative shall ensure that the NO_x Budget opt-in source's compliance account or the overdraft account of the NO_x Budget source where the NO_x Budget opt-in source is located includes the NO_x allowances necessary for completion of such deduction. If the compliance account or overdraft account does not contain sufficient NO_x allowances, the EPA will deduct the required number of NO_x allowances, regardless of the control period for which they were allocated, whenever NO_x allowances are recorded in either account.

(ii) After the deduction under paragraph (b)(2)(i) of this section is completed, the EPA will close the NO_x Budget opt-in source's compliance account. If any NO_x allowances remain in the compliance account after completion of such deduction and any deduction under Section 96.54, the EPA will close the NO_x Budget opt-in source's compliance account and will establish, and transfer any remaining allowances to, a new general account for the owners and operators of the NO_x Budget opt-in source. The NO_x authorized account representative for the NO_x Budget opt-in source shall become the NO_x authorized account representative for the general account.

Section 96.88 - NO_x Allowance Allocations To Opt-In Units.

(a) NO_x allowance allocation.

(1) By December 31 immediately before the first control period for which the NO_x Budget opt-in permit is effective, the Department will allocate NO_x allowances to the NO_x Budget opt-in source and submit to the EPA the allocation for the control period in accordance with paragraph (b) of this section.

(2) By no later than December 31, after the first control period for which the NO_x Budget opt-in permit is in effect, and December 31 of each year thereafter, the Department will allocate NO_x allowances to the NO_x Budget opt-in source, and submit to the EPA allocations for the next control period, in accordance with paragraph (b) of this section.

(b) For each control period for which the NO_x Budget opt-in source has an approved NO_x Budget opt-in permit, the NO_x Budget opt-in source will be allocated NO_x allowances in accordance with the following procedures:

(1) The heat input (in mmBtu) used for calculating NO_x allowance allocations will be the lesser of:

(i) The NO_x Budget opt-in source's baseline heat input determined pursuant to Section 96.84(c); or

(ii) The NO_x Budget opt-in source's heat input, as determined in accordance with subpart H of this regulation, for the control period in the year prior to the year of the control period for which the NO_x allocations are being calculated.

(2) The Department will allocate NO_x allowances to the NO_x Budget opt-in source in an amount equaling the heat input (in mmBtu) determined under paragraph (b)(1) of this section multiplied by the lesser of:

(i) The NO_x Budget opt-in source's baseline NO_x emissions rate (in lb/mmBtu) determined pursuant to Section 96.84(c); or

(ii) The most stringent State or Federal NO_x emissions limitation applicable to the NO_x Budget opt-in source during the control period.

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